

JPRS 82930

23 February 1983

USSR Report

HUMAN RESOURCES

No. 77



FOREIGN BROADCAST INFORMATION SERVICE

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LABOR

LITHUANIAN LABOR OFFICIAL STRESSES PRODUCTIVITY

Moscow SOTSIALISTICHESKIY TRUD in Russian No 12, Dec 82 pp 43-51

[Article by B. Gaygalas, chairman of the LiSSR State Committee for Labor and candidate of economic sciences: "Raising Production Efficiency In the Center of Attention"]

[Text] Impressive Results

Four decades of development of Soviet Lithuania's economy in the unified national economic complex of the country have been marked by vast achievements. On joining the fraternal family of Soviet peoples, the young Lithuanian Republic had stepped onto the path of national economy industrialization. A material and technical base was established and a skilled labor force for an accelerated upsurge of all sectors of industry was trained. The rate of growth of the republic's gross industrial production was considerably higher than of the country as a whole. By the end of the 8th Five-Year Plan, the republic exceeded the all-union level as regards the volume of national income per resident. In 1981 Lithuania's industry turned out 59 times as much production as in 1940 and its national income was 9 times greater than during the prewar years. These successes were a result of joint efforts of all fraternal peoples of the country. Enterprises of Soviet Russia, the Ukraine and other republics actively participate in the development of our national economy. In turn, production of Lithuania's industry is well known at construction sites in Siberia and in all corners of our vast motherland. Soviet Lithuania produces a considerable part of precision metal-cutting machine tools, electric welding equipment, electric meters, grass meal units, fuel equipment for tractors and other equipment that is produced in the country.

Intensive development of industry has helped us in solving many economic and social problems. Unemployment was acutest among them in bourgeois Lithuania: in 1939 our cities had more than 76,000 of totally unemployed and there were 250,000 latent unemployed in the countryside. After restoration of Soviet power in the republic, the number of people working in industry began growing at a high rate and up to the beginning of the seventies this growth was the highest in the country. Within a comparatively brief period of time almost all citizens of able-to-work age were involved in social production. Progressive changes were also made in the employment structure: the relative share of those working in industry was increased and the share of those working in agriculture was reduced. The well-planned distribution of industrial enterprises in the republic's entire territory has made it possible to rationally distribute productive forces and promoted the increase

of urban population. New industrial centers have appeared: Alitus, Kapsukas, Utena, Mazheykyay and Telshyay.

Along with expansion in the scale of production and establishment of new sectors in industry, the ranks of skilled workers were replenished and the population's educational level was increased. If in 1941 Lithuania had only 21,000 specialists with higher and secondary specialized education, then in 1980 there were 18 times as many of them. As regards the number of students in VUZs per 10,000 people, the LiSSR occupies a second place among union republics at present and first place for the number of students in secondary specialized educational institutions.

Availability of skilled personnel has made it possible to successfully solve the tasks facing the republic as regards the development of national economy. Only during the 10th Five-Year Plan, the volume of industrial production was increased by nearly 27 percent and the output of production during this period equaled that of the 7th and 8th Five-Year Plans put together. Industrial enterprises also ended the first year of the 11th Five-Year Plan quite good. For achievements in the 1981 all-union socialist competition, the republic was awarded a challenge red banner of the CPSU Central Committee, the USSR Council of Ministers, the AUCCTU and the Komsomol Central Committee.

Workers of the Lithuanian industry are now faced with especially complex tasks and the main one among them is to develop production basically only by increasing labor productivity. This is an inevitable way due to the unfavorable demographic situation that has developed. We have marginally high employment in social production at present, but based on forecasts the growth of able-bodied population will substantially decline in the long range. Moreover, a very considerable part of the overall increase of manpower resources must be assigned to the nonproduction sphere because it lags behind the all-union level and neighboring republics. The development of industrial production now can no longer be based just on any significant increase in the number of workers.

In this connection the collectives of industrial enterprises are looking for more effective ways to expand the volumes of production. During the years of the 10th Five-Year Plan, many associations and enterprises ensured the entire growth only by increasing labor productivity. Broad support in the republic was gained by the initiative of the Vilnyuskiy Drill Plant, the Utyanskaya Knitted Goods Factory imeni M. Mel'nikayte and the Shilutskiy Furniture Combine, which are introducing the experience of Moscow enterprises and the Yaroslavl Oblast party organization and have pledged to achieve the entire increase of production in the 11th Five-Year Plan with the same number of workers.

The Lithuanian Communist Party Central Committee has approved the initiative of these collectives and has made it incumbent upon city and rayon party committees, ministries and departments and associations and enterprises to use their experience. The results were almost immediate. Last year, the entire growth of production through increased labor productivity was achieved at 174 industrial enterprises. Winners in the republic competition, which was held under this motto, were collectives of the Sigma Production Association, the Vilnius Furniture Combine and the Trinichyay Cotton Production Association in Klaypeda. Considerably more enterprises and organizations are participating in the competition this year.

Nationwide Review of Reserves

Based on tradition, which originated from V. I. Lenin, our every jubilee celebration is not only a review of achievements but also of reserves and an analysis of shortcomings which hamper progress. A striking example of such party approach was the recent address by L. I. Brezhnev at jubilee celebrations in Azerbaijan. It must be admitted that successes in the field of intensification of production in the industry as a whole have not satisfied us so far in Lithuania as well. The rate of growth of labor productivity has somewhat declined in the past few years. The 18th Lithuanian Communist Party Congress noted that industrial workers have failed to achieve the planned rate outlined in the 10th Five-Year Plan. In addition to objective reasons, the congress pointed out shortcomings in the use of existing reserves and in labor and production organization, violations of labor discipline and losses of working time. The government of the republic has confirmed a complex of measures aimed at intensifying industrial and construction production, improving planned regulation of manpower resources and raising efficiency and quality of labor. A system has been developed on this basis which makes it possible to improve management of manpower resources and combine sectorial and territorial planning principles. On the one hand, it provides that the influence of republic management organs in solving numerous questions related to manpower resources is substantially increased and, on the other hand, ensures a more complete and all-round consideration of local peculiarities and expands participation by soviets of people's deputies in all stages of formation, distribution and utilization of the labor force.

Already during the 10th Five-Year Plan we began to develop labor balance reports for all cities and rural areas of the republic. They made it possible to appraise the national economy's requirements in personnel and to distribute and develop productive forces in a more uniform manner. Taking the accumulated positive experience into consideration, gorispolkoms and rayispolkoms have compiled long-range reports for the 11th Five-Year Plan and divided them by years. Last year, they were worked out for the republic as a whole, for all cities, city-type settlements and administrative regions. The territorial balance reports are closely correlated with the republican ones. Thus a well-composed system was formed which makes it possible to combine sectorial and territorial planning principles, improve planned manipulation of manpower resources and plan construction of new production projects more correctly. Local organs can orient themselves more easily now as regards the manpower resources situation in their city or rayon.

Limits on manpower resources were established in the republic as early as 1979 in order to ensure coordination of balances with plans of specific associations and enterprises. The results were almost immediate. In 1979 and 1980 there were less people working in industry than planned and the number of enterprises which had more workers than set by the limits was reduced. In 1981 ministries, departments, associations and enterprises regardless of their departmental subordination were provided with confirmed annual limits for the 11th Five-Year Plan. A specific order of their development was also established. The number of workers and sources for ensuring their growth are preliminary coordinated by union-republic and republic ministries and departments with the republic's Gosplan and the State Committee for Labor, by industrial associations and enterprises of union-republic or republic ministries and departments with corresponding gorispolkoms (cities under republic jurisdiction) and rayispolkoms and by industrial associations and

enterprises under union jurisdiction also additionally with the LiSSR Gosplan and the State Committee for Labor. Thus in determining the number limits for enterprises under their jurisdiction, the sectorial ministries must consider the developed structure of social production and the availability of manpower resources in a given territory. Enlisting of executive committees in compiling balances of manpower resources of cities and rayons and limits on the number of industrial and production personnel at enterprises makes it possible for them to participate actively in distribution and utilization of manpower resources in a corresponding region. In Establishing limits consideration should be given to the fact that the compulsory requirement must be fulfilled--to ensure associations and enterprises with manpower mainly through intrasectorial, more rational redistribution of manpower reserves and to develop production at operating enterprises with the same or lesser number of workers.

It must be noted that as of last year a trend has been clearly manifested toward reducing the number of industrial and production personnel compared to the planned limits. But there are still individual violations. The greatest share of the above-plan number of personnel is at enterprises under union jurisdiction. Last year this applied to the Litrybprom Production Association, the Vayras Bicycle and Motor Plant in Shyaulay, the Kedaynskiy Biochemical Plant and other plants. It must be stressed that individual union ministries have been violating the order now in force and have been changing planned tasks of enterprises under their jurisdiction in Lithuanian territory without coordinating with republic organs. Moreover, they have been determining the planned number of workers for them which exceeds the limit confirmed by the government of the republic. Thus in 1981 such deviation from established rules was permitted by the USSR Ministry of the Automotive Industry, the USSR Ministry of the Fish Industry and the USSR Ministry of Instrument Making, Automation Equipment and Control Systems.

Thus establishing limits is only a beginning. It is no less important to strictly observe them. Control over this is exercised not only by Gosplan and the State Committee for Labor of the republic but also by party and soviet organs. For example, the Vilnius gorkom has established a commission on limiting the increase in the number of workers in industry which has been effectively influencing the distribution of manpower. This is a good beginning and deserves to be disseminated in all cities and rayons. In order to strengthen state discipline a complex of economic sanctions should be worked out against enterprises and organizations which keep workers above the limit.

There are other considerable reserves for raising labor efficiency in the republic's industry. Above all, it is further mechanization and automation of production processes and reduction of manual unskilled and hard labor. The technical level of industrial production has been constantly growing. During the 1965-80 period, the relative share of those performing work manually (not including adjusters and repair workers) was reduced from 49.8 to 35.6 percent. During the years of the 10th Five-Year Plan alone, 605 shops and sectors were mechanized, more than 11,000 mechanized transfer and automatic lines were introduced and 32 automated control systems of technological processes, machine units and equipment were put into operation. Soviet Lithuania has many industrial enterprises where workers' labor is mechanized and automated 65-70 percent (some enterprises of the light industry,

the Vilniuskiy Drill Plant, the Vilniuskiy Fuel Equipment Plant imeni 50 Years of USSR, the Alitusskiy Machine-Building Plant and others).

However, the level of manual labor remains high and the measures implemented with regard to new equipment do not sufficiently influence productivity. The results of the 10th Five-Year Plan indicate that scientific and technical progress has not yet become the main source of its growth at many plants and factories. Some ministries, associations and enterprises have failed to fulfill their tasks with regard to reducing the share of manual labor and in some places the number of workers who perform their work manually has even increased.

A considerable reserve for increasing labor productivity is in mechanization of ancillary production. In 1980 nearly 30 percent of total number of workers in the republic's industry were ancillary workers. Moreover, their relative share has a tendency to increase and in some sectors of industry (chemical and pulp and paper) it reaches 44-48 percent. At the same time, ancillary production lags considerably behind basic production as regards the rate of mechanization. The greatest number of ancillary workers are employed in loading and unloading work, repair operations and making tools and equipment for their own use.

The level of mechanization is especially low among repair workers. More than 70 percent of work is performed by them manually. Meanwhile, more than 10 percent of the total number of workers are employed by repair services and shops of machine-building plants in the republic. In our opinion, capital repairs of equipment must become an object of centralized planning, i.e. reflected in the national economic plan as production of equipment and it is necessary to concentrate it in corresponding sectors of machine building. We in Lithuania are conducting measures aimed at expanding, specializing, cooperating and concentrating the output of castings, tools and riggings at machine-building enterprises. Currently most of them have to manufacture nearly all necessary spare parts and perform all work in small shops and sectors on a small scale for their own needs.

We attach important significance to mechanization of labor in warehousing, transportation and loading and unloading operations. The relative share of those working manually in these sectors reaches 60 percent and even higher at enterprises of some ministries. To solve this problem comprehensively, the republic's Gosplan and our committee together ministries and departments and scientific research organizations have prepared a directed integrated program aimed at reducing manual labor in loading and unloading, materials handling and warehousing work in industry, transportation and trade. The necessity was dictated by life itself. It is precisely at the junction of these sectors of the national economy that the number of those engaged in manual labor has been growing noticeably lately. The program provides for increasing the volume of cargo to be transported in containers and for using on a broad scale loading and unloading mechanisms and devices at loading and unloading places, which will make it possible to reduce the number of those working manually at the given sectors and to considerably reduce their relative share. On the whole, taking into consideration the comprehensive programs for intensification of industrial and construction production, it is planned to reduce by 1985 as compared with the beginning of the current five-year plan the absolute number of workers performing manual labor by 11,300 people.

Elimination of Losses Is a Task of Paramount Importance

A large reserve for increasing labor productivity is in better use of working time, but this requires strengthening labor discipline, eliminating downtime connected with irregularities and reducing the sick rate and personnel turnover. The republic has already done much in this direction. The State Committee for Labor and the Lithuanian Republic Trade Unions Council together with gorkoms and raykoms of the Lithuanian Communist Party and ministries and departments have conducted some zonal meetings of personnel department workers of associations, enterprises and organizations, the first republic rally of foremen and seminars-meetings on the development, utilization and improvement of the brigade form of organizing and stimulating labor. Methodical recommendations on professional orientation of youths, adjustment of newcomers in collectives and other recommendations have been developed with consideration of sectorial peculiarities.

As a result, personnel turnover has declined, labor discipline has been strengthened and losses of working time have been reduced. Enterprises of the ministries of light and furniture and wood processing industries, El'fa and Sigma Production Associations and some others have accumulated positive experience in forming stable worker's collectives and their social development and have worked out a correct approach to solving all questions.

At the same time, many ministries and departments and associations and enterprises are still not using all available reserves. The measures being conducted are very often poorly linked to improving organization of production and labor and raising good working conditions with high standards of production and because of this their effectiveness is reduced to a considerable degree. The analysis of personnel turnover is sometimes reduced to a formalistic recording of facts, which makes it impossible to promptly find and eliminate the reasons why workers are leaving. Possibilities of intra-plant transfers are being used insufficiently. As a result, personnel turnover is still extensive at enterprises of the food, motor transport and highways, construction materials and fruit and vegetable industries.

What are the reasons of high turnover? One of the main reasons is production irregularity and frequent changes of plan indicators, which makes it impossible to ensure a working day of uniform intensity. In 1981, due to changes in production marketing plans and interruptions in material and technical supply, the accounted for daylong and intrashift downtime alone at industrial enterprises practically remained at the 1975 level. It is necessary to bear in mind that there are still intrashift losses which, as a rule, are not being taken account of. In order to compensate for lack of organization and losses of working time, workers are asked to work overtime or on their days off. An analysis of reasons for workers personally requesting to be dismissed at individual enterprises indicates that up to 29 percent of workers, and up to 35 percent among youths, leave because of dissatisfaction with conditions and organization of labor. Absences authorized by administration are also a large enough reserve for reducing losses of working time. More than half of them are connected with poorly adjusted activities of medical institutions, domestic and municipal service enterprises, kindergartens, children's nurseries and other organizations providing services to the population.

Job placement bureaus, which are operating in principal cities under the republic's jurisdiction and in some regional centers of the republic, help in reducing the time people lose in connection with transfer to a new place of work and in regulating the movement of the labor force in well-organized manner. An analysis indicates that services provided by such bureaus help in reducing the job placement period by an average of 12 days per worker. Taking into consideration the number of people placed in jobs annually, the economic and social advantage of this service becomes quite obvious. Currently citizens are placed in jobs basically through bureaus in 10 cities and rayon capitals.

Improvement of Personnel Quality Is a Guarantee of Success

Scientific and technical progress and constant technical improvement of industrial production raise demands year after year for improving skills of the labor force. During the 10th Five-Year Plan, many thousands of skilled workers were trained for industrial enterprises, including 32,200 in vocational and technical and technical schools. The role and place of vocational and technical education system has been constantly growing during the past several years. The relative share of workers, who have been assigned to industrial enterprises from vocational and technical and technical schools, has increased in the overall training of such workers from 9.4 percent in 1970 to 17.6 percent in 1980. Nevertheless, training directly in production continues to play a decisive role in ensuring manpower to industry. This is why it is extremely important to improve the quality of this type of training, to improve its forms and methods. Unfortunately, a primitive handicraft method of individual training is still being used in many cases. So far it predominates at enterprises of the machine building and metal working, electrical engineering, instrument building, furniture, wood processing and local industries.

There is no possibility of solving the problem of training the labor force through the system of vocational and technical education system in the years immediately ahead. In this connection it is necessary to raise the efficiency and quality of training in production and for this purpose ministries, departments, associations and enterprises in the republic should broadly use the course form of training by developing a network of educational-course combines in a well-planned manner and organizing centralized training of workers of most important skills on the base of large enterprises.

We believe that interplant educational-course combines (centers) to train personnel for several related enterprises which do not have the necessary conditions for course training of workers should be developed on a broad scale in the near future. It seems that such combines should be established at individual production associations as well as in cities and rayons where several enterprises of one sector are concentrated. At the same time, it would be expedient to explore the possibility of opening in the republic of interdepartmental (territorial) educational-course combines on the basis of unifying the means of enterprises and organizations of various sectors of the national economy. The fact is that some cities and rayons in Lithuania have a certain number of small enterprises of various ministries and departments. As a rule, they do not have an educational-production base and therefore have considerable difficulties in replenishing their staffs. In interdepartmental (territorial) educational-course combines it would undoubtedly be easier to solve this problem and would help to better ensure enterprises with workers of mass professions.

To a great extent all of these difficulties can be explained by imperfections in the planning of the contingent of trainees. Many union and republic ministries and departments have not made plans until now to train skilled workers in the most important skills and have failed to demand this of associations and enterprises under their jurisdiction, which has led to disproportion in training workers in individual skills, especially in integral process skills, and in the final analysis to a shortage of them. For example, by the beginning of this year some enterprises, while generally having enough manpower, did not have enough skilled fitters, motor vehicle drivers, machine tool operators for metal work, seamstresses, electricians and so forth. At the same time, some enterprises of the light, food, chemical, furniture, wood processing, pulp and paper and other sectors are training workers predominantly for basic production shops. As a result, some turners, milling machine operators, electricians, welders and others who have been trained at machine building and metal working enterprises and at their base vocational and technical schools had to be redistributed to other sectors of the national economy. The plans for training new workers are very often developed on the basis of an existing educational-production base and not on the basis of need to more completely satisfy the requirements in skilled manpower of every profession and they do not take into consideration the changes that will occur in the long range. As a result of this the plans are being fulfilled and overfulfilled but there is still a shortage of skilled workers.

It is true that we are doing much to ensure the national economy with personnel of leading mass professions as completely as possible. Ministries and departments as well as associations and larger enterprises under union jurisdiction have compiled balance estimates of the required number of additional skilled workers of every profession and in coordination with our committee determined the volume of their training in the 1981-85 period. We hope that this will bear fruit soon.

The system of improving workers' skill in production requires further improvement. Under contemporary conditions when the growth in the number of workers in the national economy is being reduced, it can and must be made up to a considerable degree with substantial improvement in the quality of those that are employed. However, the relative proportion of workers who are improving their skill cannot be recognized as satisfactory. Even in industry everyone of them has been improving his skill on an average of only once every 4 years, and in some sectors even less--once every 5-7 years. If in the republic as a whole more than 12 percent of all workers improved their skill in 1980, then, for example, in the Ministry of Land Reclamation and Water Resources there were only 5.9 percent, in the Litmezhkolkhozstroy Association of the republic there were only 6 percent and so forth. As a result, at some enterprises qualification of workers does not correspond to the tasks they perform. The data obtained from a survey conducted last year indicates, for example, that at the Vilniuskiy Electrical Measuring Equipment Plant the average class of workers is 1.05 below the average class of work assigned to them. At the Promsvyaz' Plant in Kaunas the difference amounted to 0.3.

Skilled workers are often used in operations for which training of much lower level would suffice. For example, at the Promsvyaz Plant in Kaunas the average class of electric welders was 6.0 and of the work performed by them was 3.4 and of

milling machine operators, correspondingly 5.3 and 3.5. At the Klaypedskiy Ship Repair Plant No 7 the difference between the qualification level of machine tool operators for metal work and the average class of work amounted to 0.7. Such situation, as a rule, is a result when workers are bestowed qualification classes without justification and only for the purpose of raising their wages. As a result, funds for wages are not being used rationally, labor productivity declines and the professional growth of skilled workers is being restrained.

Similar consequences are also caused by the fact that many enterprises in violation of established order do not plan the number of trainees and employ persons without corresponding professional training and formalize them as skilled workers. A considerable number of them are used for a long time by enterprises in auxiliary operations and undergo training much later. Moreover, very often these workers attend classes not for training new workers but for raising skills and as a result they fail to grasp in sufficient depth the preliminary theoretical knowledge and practical skills to fulfill work in a corresponding profession.

Instruction in ways and methods of labor is still being insufficiently used in improving professional skills of workers. The experience of leading workers and production innovators was being mastered by only 1.7 percent of all workers in the republic's national economy as a whole in 1980. At the same time, leading methods were being studied by only a few people at enterprises of the local, meat and dairy, furniture and wood processing industries, municipal services and other enterprises. The effectiveness and expediency of this form in improving professional skill has been proven by experience long ago. For example, the improved skill of workers who attended schools to study leading ways and methods of labor at the Kaunasskiy Silk Combine imeni P. Zibertas has made it possible for each worker to increase labor productivity by an average of 3 percent.

We have now set a task for ourselves to increase the number of those attending schools of leading ways and methods of labor severalfold. The fact that this is possible has been proved by experience of some light industry enterprises, the Vilniuskiy Drill Plant, the Kaunasskiy Artificial Fiber Plant and some other plants which have a comparatively high relative share of all workers attending the schools of ways and methods of labor. It would be also expedient to organize dissemination of leading ways and methods of labor by establishing permanent schools on the base of larger enterprises and construction sites. Rational use of all available forms for improving workers' skill will make it possible to reduce the gap between the actual level of their knowledge and demands of production, create a realistic prospect for the professional growth of workers and ensure that they can master even more complex kinds of skilled labor.

Of course, this does not exhaust all possibilities for raising efficiency and quality of labor in industry. For the purpose of enlisting and using all reserves to ensure stable rates of growth of industrial production through increased labor productivity in the republic, a comprehensive program aimed at intensifying industrial production in the 1981-85 period has been compiled. It has been developed on three levels: republic, ministries and departments as well as all associations and enterprises in the Lithuanian territory. During its

preparation, ministries, departments, associations and enterprises analyzed the technical level of production and the achieved results and outlined a system of technical, organizational and social measures for the best utilization of all reserves.

On the basis of the draft programs of ministries, departments, associations and enterprises under union jurisdiction a republic program has been developed. It includes measures at the republic level and also those of interdepartmental significance. The most important ones will be included annually in plans for economic and social development at all levels and material and financial resources have been envisaged for them in top priority order. Implementation of the program will help workers of Soviet Lithuania to cope successfully with the great tasks outlined by the 26th CPSU Congress.

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LABOR

USSR GOSSNAB MANAGER DISCUSSES LABOR, WAGE PLANNING

Moscow MATERIAL'NO-TEKHNICHESKOYE SNABZHENIYE in Russian No 11, Nov 82 pp 73-78

[Report on interview with A. S. Dunayeva, department chief of USSR Gossnab's Planning and Finance Administration, in the column "Our Consultation": "Planning of Manpower Resources and Wages"; date not specified]

[Text] Many readers of the journal are interested in questions related to planning of manpower resources and wages by organs of our system. These questions are answered by A. S. Dunayeva, chief of a department of USSR Gossnab's Planning and Finance Administration.

[Question] What are the basic features of planning for the current five-year plan?

[Answer] The overall number of workers in the organs of the material and technical supply system during the 1982-85 period will be reduced by 9 percent compared with the actual number in 1980. Of particular significance in this connection is implementation of comprehensive organizational and technical measures aimed at fundamental improvement in utilization of available manpower in order to achieve a maximum increase of labor productivity, which would ensure material and technical supply of enterprises.

In the plan for the 5-year period, by an order for USSR Gossnab a limit was set for every territorial organ as regards the number of workers and employees and the wage fund and the task for increasing labor productivity in supply and marketing activity (1985 in percentages to 1980).

Changes in labor indicators can be made only by permission of USSR Gossnab 45 days before the end of the quarter without changing the volumes of work, and 20 days before the end of the quarter if these changes are connected with the volume of work. As of 1981 all changes of the plan for the wage fund are reported to USSR Gossnab and its departments and offices. Changes of labor indicators are implemented by USSR Gossnab in the presence of corresponding estimates and justifications ensuring accelerated increase of labor productivity.

It must be noted that all changes for the purpose of increasing the number of workers and employees are included in the plan only on the condition that

certification is presented that the increase of workers and employees was coordinated with corresponding executive committees of soviets of workers' deputies (USSR Gossnab's order of 4 May 1981).

According to the legislation now in force, USSR Gossnab's territorial organs have the right to retain the wage fund reserve and the limit on the number of workers and employees: gossnabs of union republics up to 2 percent and main territorial administrations up to 1 percent. The limit on the number of workers and the wage fund are also reserved for secondary raw materials and packaging materials enterprises and organizations but their size must not exceed that which was confirmed. These reserves may be redistributed among supply, secondary raw materials and packaging materials enterprises and organizations.

[Question] What are the general principles in estimating the level and the rate of increase of labor productivity?

[Answer] The level and the rate of increase of labor productivity are the most important quality indicators of economic activity of enterprises and organizations of USSR Gossnab's system. They are used in analyzing the correlation between the rate of increase of labor productivity and average wages. They are also taken into consideration in summing up the results of socialist competition.

In working out plans it is necessary to provide for a systematic increase of labor productivity in all organs of our system as the main condition for raising efficiency of economic activities and rational use of manpower resources.

Indicators for manpower resources are calculated separately for operating and new enterprises and organizations and then summarized. At the same time, it must be borne in mind that among new enterprises and organizations are those that are under construction as well as those that were commissioned during the base period but have operated less than the fixed period for putting capacities in operation. At operating enterprises and organizations the entire increase of production must be ensured through increased labor productivity.

The plan should provide for outstripping rates of increase of labor productivity compared with the increase of average wages as well as for effective use of the wage fund for stimulating accelerated rates of increase of labor productivity. The size of the wage fund must be linked with the increase of volumetric indicators of activity of enterprises and organizations.

Estimates of the plan should ensure comparability of the volume of work and the number of workers in the plan and base periods. Changes in the period under review and in the base period can be made in the event of transfer or acceptance of enterprises and organizations as well as in the number of workers accepted (transferred) from other ministries and departments.

Commissioning of new enterprises, organizations, warehouses, bases, stores and other structural subdivisions as well as their liquidation are no grounds for recalculating the volume of work and the number of workers in the period under review and in the base period.

Increase of labor productivity is not only relative but also absolute reduction in the number of workers. Under present conditions this indicator is of especially important significance.

Labor productivity in material and technical supply is determined by the volume of marketed production from enterprises delivered per worker and is calculated on the basis of the average number of officially listed workers in supply and marketing associations, administrations and enterprises engaged in delivery of production.

Not included in output calculations are the number of central system workers of main administrations of materials and equipment supply and marketing [soyuzglavsnabsbyty], main administrations of supply of equipment in complete sets [soyuzglavkompletky] and gossnabs of union republics, main territorial administrations and organizations having management functions (administrations for completing enterprises that are under construction or reconstruction, lumber supply and marketing administrations [lessnabsbyty], building materials supply and marketing administrations [stroysnabsbyty] and other organizations, which are not assigned a volume of production marketing from enterprises on deliveries).

Moreover, in determining a task with regard to increasing labor productivity no account is taken of the number of workers engaged at sorting bases and warehouses, being established in accordance with USSR Gossnab decisions, at sectors rendering additional services to consumers (including rental of appliances) and capital repairs performed by a method of operations using organization's own resources as well as the number of workers of motor transport organizations, computer centers, machine calculating stations and other organizations on independent balance.

For the purpose of economizing material resources and preventing accumulation of above-norm reserves of production by consumers through warehouse deliveries in quantities that exceed their current needs, USSR Gossnab has established a special order for calculating fulfillment of the plan for increasing labor productivity. In appraising activities of supply and marketing organizations as well as in calculating fulfillment of tasks with regard to labor productivity, the actual volume of wholesale marketing of production from warehouses and stores is increased by the value of production, which was under-delivered to consumers because they had above-norm reserves.

[Question] What factors must be considered in planning an increase of labor productivity?

[Answer] It is necessary to take into account the improvement in the technical level of warehousing services (mechanization of manual labor and introduction of new, more productive materials handling and warehousing equipment and on this basis reduction of cargo transshipments and introduction of new and improvement of existing processing methods in warehousing and cargo handling) and improvement of labor organization (introduction of progressive and change in the average level of output fulfillment norms, dissemination of brigade forms of labor organization, combination of skills and expansion of service zones and reduction of losses of working time and personnel turnover).

Improvement in the management structure, elimination of surpluses in staffs and relative reduction in the number of auxiliary workers and management staff workers in connection with increased volume of work should also be taken into consideration.

One of the factors in increasing labor productivity is reduction of labor in auxiliary and service operations through mechanization and rational organization. Moreover, it should be borne in mind that the number of auxiliary workers increases in smaller numbers than the volume of warehouse sales or does not increase at all. Thus an increase in warehouse sales of production involves an increase in a certain category of workers. They are commodity specialists, loaders, machine operators, cargo sling operators, workers employed in intra-warehouse cargo handling and motor vehicle operators employed in centralized cargo delivery with own motor transportation.

Increasing labor productivity by improving warehouse processing methods is done in connection with lowering of the cargo processing coefficient. For example, the cargo processing coefficient was reduced from 4 to 3.8--by 5 percent. Ten percent of all workers are engaged in these operations, which means that 10 percent will increase their labor productivity by 5 percent and the organization as a whole by 0.5 percent $\left(\frac{10.5}{100} = 0.5\right)$.

The influence of the average level of output fulfillment norms on the growth of labor productivity is produced by considering a planned review of output norms. Let us assume that pieceworkers account for 40 percent of the base number of workers and 50 percent of the overall number of workers. Fulfillment of output norms in the plan must not exceed 121 percent against 125 percent in the preceding year. Labor productivity will then increase by 0.64 percent $\left(\frac{(125-121) 20}{125}\right)$. In

determining the increase of labor productivity in the association as a whole, the supply administration should take into account the influence of changes in the sectorial structure of warehouse sales.

To allow for influence of changes in the sectorial structure of commodity turnover on the average output in the plan period, the number of workers in the plan period is calculated separately for each organization, proceeding from labor productivity in the base period. Then by means of dividing overall commodity turnover in the plan period by the conditional number of workers in the period, the output of the base period applicable to the structure of commodity turnover in the planned period is obtained. By comparing the average output calculated in this manner with the actual one in the base period, we obtain the degree of influence of structural improvements of commodity turnover on the growth of labor productivity.

To control the degree of intensity of planned tasks with regard to growth of labor productivity, a relative share in the increase of warehouse sales of production of production and technical designation is determined by virtue of increased labor productivity according to the following formula:

$$100 - \frac{\text{increase in the number of workers (in percentages)} 100}{\text{increase in commodity turnover (in percentages)}}$$

Increase of labor productivity at a set rate of commodity turnover and its increase by virtue of labor productivity is calculated according to the following formula:

$$100 + \left[\frac{\text{increase of commodity turnover by virtue of labor productivity (in percentages)}}{100 - \text{rate of increase of commodity turnover (in percentages)}} \right]$$

[Question] How is the appraisal of labor productivity affected by under-delivered contracted production to consumers when they have above-norm supplies on hand?

[Answer] The actual volume of wholesale production from warehouses and stores is increased by the value of production which was under-delivered to consumers due to them having above-norm supplies of comparable goods.

Example of Calculation of Plan Fulfillment for Labor Productivity
When Production is Under-Delivered to Consumers in Connection With
Them Having Above-Norm Supplies on Hand

Indicator	Plan	Actual fulfillment	Percent of plan fulfillment
Volume of wholesale production from warehouses and stores, in thousands of rubles	40,000	39,500	98.8
Value of production under-delivered to consumers in connection with them having above-norm supplies of comparable kinds of goods on hand, in thousands of rubles.....	--	620	--
Volume of wholesale production from warehouses and stores, accepted for calculating fulfillment of the task with regard to labor productivity, in thousands of rubles.....	--	40,120	--
Number of workers employed in supply and marketing activity, persons.....	750	750	100.0
Volume of wholesale of production per worker, in thousands of rubles.....	53.3	$\frac{52.7^*}{53.5}$	$\frac{98.8}{100.4}$

* The numerator shows the actual volume of wholesale marketing of production per worker, the denominator indicates the volume of wholesale marketing of production per worker which is accepted for appraising the activity of supply and marketing organizations.

Production, which was under-delivered to consumers who have above-norm surpluses of comparable goods, must be accounted by specific consumers to whom it was under-delivered and used, first of all, in increasing working stocks at enterprises for delivery of production.

In other organizations and at USSR Gosnab enterprises labor productivity is determined by output of gross (commodity) production per worker and is calculated on the basis of the average number of officially listed industrial production personnel; by the volume of procured and primarily processed and reprocessed secondary raw materials at wholesale prices per worker employed at production and procurement enterprises and procurement and production offices; and in motor transportation by the volume of income from transporting cargo per worker.

[Question] What should be taken into account in planning the number of workers and the wage fund?

[Answer] The number of workers in the labor plan is determined by the average number of officially listed workers (without those holding several jobs at the same time) and is calculated in the following order: for sectors and organizations, where tasks are set for increasing labor productivity, proceeding from the volume of work and labor productivity and in sectors and organizations, where an increase of labor productivity is not set or not calculated, proceeding from the increase of volume indicators characterizing a given activity (commissioning of living space, increasing the contingent of children) as well as existing staffs.

In view of the fact that establishing computer centers and machine calculating stations and increasing the shift coefficient, along with improving supply management, ensures reduction of workers engaged in accounting, statistical and computing work, an increase in the number of management workers may be allowed only with simultaneous release of workers in this category in other organizations.

For the purpose of improving utilization of manpower resources, the USSR State Committee for Labor and Social Problems [Goskomtrud] and the AUCCTU adopted a decision which provides that in the event that the number of workers and employees maintained exceeds the planned annual limit, supervisors of enterprises and organizations will be partially (within a 50 percent limit) deprived of remuneration for overall work results based on the results for the year (USSR Gosnab's letter of 25 December 1980).

All amounts due based on the wage rate, salaries and piece-rate jobs and bonus systems as well as all kinds of additional payments (allowances, supplementary payments and regional coefficients) are included in wages (average and wage fund). The wage fund is determined on the basis of the plan for number of workers and average wages.

Where labor productivity is calculated, the average wages are established on the basis of taking into consideration the growth of labor productivity and its unconditional outstripping. This comparison is made in calculating per worker. The increase of average wages must be determined, first of all, on the basis of labor productivity's growth factors.

Raising of the warehousing services' technical level influences the average wages of workers by changing wages after reviewing output norms and the wages and bonuses payment systems.

Changes of workers' average wages, as a result of relative reduction in the number of certain categories of workers due to growth in the volume of warehouse sales, depend on the difference of average wages of all workers and the basic workers in the base period. Actually, no more than 0.1 percent of increase in average wages is provided for every percent of growth of labor productivity almost in all supply and marketing organizations in the USSR Gosplan's system.

The wage fund in retail trade is calculated on the basis of commodity turnover load per worker, the number of workers and the growth of wages in percentage to commodity turnover. At the same time, the relative share of the wage fund in retail trade must be reduced year after year.

According to instructions regarding the order in expending of and accounting for the wage fund of workers not on the regular (supernumerary) staff (of 10 October 1962), enterprises and organizations are forbidden to expend the wage fund established for workers not on the regular (supernumerary) staff for the following purposes: work for which payment is provided for by the wage fund of the regular staff; additional payments to staff workers for fulfilling their direct responsibilities; for regular workers above the confirmed staff; payment for work which involves examination and formalization of cases in departmental arbitrations, preparation of plans and estimates of capital construction for individuals who are not on the staff of a given enterprise, institutions or organization if there is no special permission and with the exception of work being fulfilled as part of a contest or directly by an inventor; and payment for work which requires the use of production or laboratory equipment and employment of workers who were accepted to the staff or are holding several jobs at the same time.

[Question] How is control implemented over expenditure of the wage fund?

[Answer] The order of control over expenditures of the wage fund is defined in USSR Gosbank's instructions. Payment of funds for wages to associations, enterprises and organizations of the USSR Gosbank's system is made on the basis of a fixed standard (coefficient) for recalculating the planned wage fund or by means of calculating overfulfillment (underfulfillment) of a plan established for a production association as a whole. Control over payment of funds for the wage fund is implemented regardless of location of subordinate enterprises.

If a production association has under its subordination independent enterprises and organizations which enjoy the rights provided by the provision on socialist state enterprises, the funds for wages are paid to every enterprise and organization in the order provided for enterprises and organizations of corresponding sectors of the national economy.

To industrial enterprises and enterprises of the USSR Gosplan's system, with the exception of enterprises engaged in processing secondary raw materials and production of wooden containers, funds for wages are paid as follows: to industrial and production personnel in the amount of 0.4 percent for every percent of overfulfillment of the commodity production plan and to nonindustrial personnel within the limits of the wage fund, confirmed for the quarter.

To container repair and timber trade enterprise, and bases and warehouses engaged in production, processing and repair of containers as well as in the sale of lumber and building materials to the population, which are part of our system, funds for wages are paid as follows: to personnel engaged in production activity in the amount of 0.6 percent for every percent of overfulfillment of the commodity production plan and for personnel engaged in trade activity for fulfillment and overfulfillment of the commodity turnover plan, with application of the fixed standard (coefficient), payment for wages equals 0.8 percent for every percentage of overfulfillment of the commodity turnover plan and for underfulfillment within the limits of the wage fund confirmed for the quarter. To other personnel within the limits of the wage fund confirmed for the quarter. When enterprises with a combination of activities receive funds for wages in the final accounting for the quarter, they submit one certificate indicating additional and due wages and providing data on type of activities.

To production and procurement enterprises and to procurement and production offices of secondary raw materials funds for wages are paid as follows: to personnel engaged in collecting and processing secondary raw materials, including primary processing of these raw materials, for fulfilling the plan for volume of procurement and processing in wholesale prices, with application of the fixed standard (coefficient), payment of funds equals one unit for every percent of plan overfulfillment, to personnel engaged in reprocessing secondary raw materials for fulfilling the plan for volume of reprocessing of secondary raw materials in wholesale prices, with application of the fixed standard (coefficient), payment of funds equals 0.8 for every percent of plan overfulfillment and to other personnel within the limits of the wage fund confirmed for the quarter.

To computer (information and computer) centers and to information and computer and machine calculating stations, which are financially self-supporting, funds for wages are paid as follows: to operators of calculating and computing machines, mechanics of machine calculating installations, workers engaged in repair and technical servicing of equipment and workers of technical services, computer operation and algorithm and program preparation departments, when the plan for preparing and introducing examples of managing material and technical supply and conducting production calculations is fulfilled and with application of the fixed standard (coefficient), payment of funds equals 0.6 for every percent of plan overfulfillment and to other personnel within the limits of the wage fund confirmed for the quarter. To centers and stations, which use the time rate system for all workers, including operators, mechanics and workers, within the limits of the wage fund confirmed for the quarter without recalculating plan fulfillment percentages.

To financially self-supporting state, cooperative and public organizations having management and distribution functions (all-union and republic associations, administrations, trusts, unions of consumers' cooperatives and associations of interfarm enterprises in agriculture) funds for wages are paid as follows: to management workers, registered in financial organs, on the basis of the wage fund for actual number of staff workers and extra charges to their wages but not more than the fund registered in financial organs or confirmed by a higher organization and to management workers, not registered in financial organs, in actually extra charged amount but not more than the wage fund confirmed by a higher organization.

Savings in the wage fund of management workers in financially self-supporting organizations having management, planning and distribution functions, obtained as a result of vacated positions, may only be used to settle accounts with these workers when they are either discharged or called for service in the Soviet Army and to pay for overtime work which is permitted in an established order.

Payment of funds for wages saved as a result of vacated positions is made on the basis of certification signed by supervisor and chief accountant of the organization, indicating the amount and purpose for which the funds are required. If there are not enough savings in the wage fund in a given quarter, funds for wages in that amount are paid against an additional wage fund allocated by a higher organization.

Ministries and departments and their main administrations and all-union and republic industrial associations may grant permission to cover wage fund overexpenditures allowed by their subordinate organizations against the current year's reserve wage fund as well as absolute savings of the wage fund obtained by them during the year. Permission to cover allowed overexpenditures may also be granted by USSR Gosplan and gosplans of union republics. At the same time, the current year's reserve wage fund is reduced by the amount of indicated permissions and the reserve expended to cover overexpenditures is not restored. These permissions should be granted only after explanations of reasons for overexpenditures are submitted as well as of concrete measures aimed at reducing the number of workers and economizing the wage fund to replace overexpenditures, giving the period within which the replacement will be made and naming persons responsible for fulfilling the measures.

For the purpose of calculating actual expenditures and work results, ensuring direct relationship between the volume of work and the planned wage fund and in accordance with the decision of the USSR Gosplan's Interdepartment Commission on Questions of Using New Planning and Economic Stimulation Methods, as of 1 April 1982 experimental normative planning of the wage fund is being conducted in all supply and marketing organizations of the Volgo-Vyatskoye and Kiyevskoye territorial administrations. The use of the normative method of planning the wage fund in supply is called upon to stimulate the growth of labor productivity mainly by reducing the number of workers, which is necessary under conditions of intense balance of manpower resources.

Holding of two jobs and expanding the zones of service promotes growth of labor productivity to a great degree. For fulfilling work with the least number of personnel, in accordance with enforceable enactments now in force, supplementary payments are made for holding two jobs (positions) and expanding zones of service or increasing the volume of work done in the following amounts: to workers and junior service personnel in production sectors of the national economy as well as to workers employed in loading and unloading operations in these sectors of the national economy up to 50 percent of the wage rate (salary) and to engineers and technical workers and other specialists up to 30 percent of the wage rate (salary) of basic work.

All savings from the wage fund obtained by releasing the number of workers compared to intersectorial and sectorial normative number of staffs confirmed on the basis

of standard staffs, norms of service and norms of output (time) as well as normatives (staff normatives) and labor expenditure norms confirmed by a higher organization may be used to make supplementary payments for holding two jobs (positions) and expanding zones of service or increasing the volume of work performed. At newly commissioned enterprises, projects and shops these savings must be obtained by fulfilling work with the least number of personnel compared with that which has been planned.

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LABOR

LEGAL EXPERTS EXPLAIN OVERTIME, OTHER LABOR LAWS

Finance Specialist Answers Questions

Moscow FINANSY SSSR in Russian No 6, Jun 82 pp 60-62

[Text] Readers' questions were answered by senior expert of the Legal Department of the USSR Ministry of Finance Ye.N. Korolev.

[Question] What work is considered overtime and what is the procedure of securing permission to do it?

[Answer] Article 27 of the Fundamentals of Legislation of the USSR and Union Republics on Labor provides that the administration can use overtime work only in exceptional cases prescribed by legislation. Such work can be done only with the permission of the trade-union factory-plant or local committee and must not exceed 4 hours in 2 days in a row or 120 hours per year for each worker.

Work is considered overtime if it continues beyond regular time regardless of whether it comes within the range of a worker's regular duties or is done on the instruction of management. In some cases specified by labor legislation, work in excess of regular time is not considered to be overtime, for example, when it is performed by workers with nonfixed working hours or as a second job in excess of the time of the regular job.

On the basis of Article 55 of the RSFSR Labor Code, overtime work is permitted in the following exceptional cases: in work required for the country's defense, for prevention of a public or natural calamity, production accidents and immediate elimination of their consequences; in the production of publicly needed work relating to water supply, gas supply, heating, lighting, sewerage, transport or communications--for elimination of accidental or unexpected conditions disturbing their proper functioning; when necessary, to complete started work, which as a consequence of unforeseen or accidental delay could not be completed in the course of the workday and discontinuing it could cause spoilage or destruction of state or public property; in repair or restoration of mechanisms or structures in those cases where their malfunctioning results in work stoppage for a considerable number of workers; for continuing work in the case of nonappearance of a shift worker where work cannot be interrupted.

Aside from the reasons enumerated in Article 55 of the RSFSR Labor Code, overtime work is permitted in some kinds of production and operations provided by the legislation.

Permission from the trade-union factory-plant or local committee for overtime work must be received by the management before it has started. Only in emergency cases (for example, in natural disasters), overtime work is performed with subsequent notification of the factory-plant or local committee.

The management indicates in a written application for overtime work the number of overtime hours required, for what purpose they are needed and what categories of workers are needed when for such work. Each such application must be examined collegially at meetings of the factory-plant or local committee; individual examination of such applications by the chairman of the factory-plant or local committee is not permitted.

The instructions to the worker or employe on overtime work may be given in written or oral form.

[Question] How is overtime work compensated?

[Answer] Article 40 of the Fundamentals of Legislation of the USSR and Union Republics on Labor and Article 88 of the RSFSR Labor Code provide that in payment for labor by time the first 2 hours of overtime work are paid at time and a half and the remaining hours double time.

In payment by the job as well as in those sectors of the economy where unified wage rates exist for workers by the job and time workers additional pay for overtime work is made in the amount prescribed by USSR legislation. In piecework, pay for the first 2 hours of overtime work is made in the amount of an additional 50 percent of the wage rate of a time worker of the corresponding category and an additional 100 percent of the wage rate for the subsequent hours.

Norms of pay for overtime work set by legislation are firm and cannot be changed by agreement between the management of an enterprise and the factory-plant or local committee or with workers and employes. Overtime work cannot be compensated by compensatory leave.

Overtime work performed on the instructions or with the knowledge of management must be paid for by the enterprise regardless in what form the instructions were given: written or oral.

Overtime work performed by a worker on his own initiative without the instruction or knowledge of management is not subject to remuneration.

Workers with a nonfixed workday may be granted an additional vacation of up to 12 workdays as compensation for the work load and work in excess of the normal worktime.

[Question] How is work on holidays and days off compensated?

[Answer] In accordance with Article 31 of the Fundamentals of Legislation of the USSR and Union Republics on Labor at enterprises, institutions and organizations work is not done on holidays.

Work on holidays is permitted without additional permission whose stoppage would be impossible because of production technical conditions (continuously operating enterprises, institutions, organizations) or because of the need of serving the population as well as because of emergency repairs or materials handling operations.

In cases not given in Article 31 of the Fundamentals, work on holidays may be permitted only in the form of an exception in the following manner: for enterprises of union subordination--by the USSR State Committee for Labor and Social Problems jointly with the AUCCTU on written notification of councils of ministers of union republics and USSR ministries and departments; for enterprises of republic and local subordination--by councils of ministers of union republics in agreement with trade-union organs.

According to Article 41 of the Fundamentals, work on holidays is paid double time. At the request of a worker, he may be granted another rest day.

According to Article 30 of the Fundamentals, work on days off is forbidden. Having individual workers come to work on these days is permitted only with the permission of the trade-union factory-plant or local committee in exceptional cases spelled out by legislation of the USSR and union republics. Thus on the basis of Article 63 of the RSFSR Labor Code working on days off is permitted only in the following exceptional cases: for the prevention or elimination of a public or natural disaster, production breakdown or immediate elimination of its consequences; for prevention of accidents, destruction or damage of state or public property; for the performance of previously unforeseen work on which continued normal operation of an enterprise, institution or organization or in some subdivision depends.

Work on a day off is done on the basis of a written order (instruction) from the management of an enterprise, institution or organization with observance of limitations prescribed by the legislation. In particular, work by invalids is permitted only with their permission and on the condition that this work is not forbidden them by medical recommendations. Pregnant women and nursing mothers, women with children under one year of age as well as workers under 18 years of age are not brought in to work on days off. For work on a day off another day is granted within the next two weeks. If it turns out to be impossible to grant another day off (due to the firing of the worker or in other cases provided by legislation), then work on a day off is paid double time.

[Question] For how much time are wages retained on transfer of a worker to lower paying work?

[Answer] Article 44 of the Fundamentals of Legislation of the USSR and Union Republics on Labor provides that in case of transfer of a worker to

or employe to other permanent lower paying work at the same enterprise or institution, the worker retains his previous pay for two weeks from the day of his transfer. This rule does not apply in the case where the worker continues to perform his former work and only the pay conditions are changed. Moreover, Article 44 of the Fundamentals does not apply in the case of transfer to other lower paying work on the request of the worker himself rather than on the initiative of the enterprise's management (except for cases of transfer in accordance with the conclusion of the Medical Commission for Determination of Disability or the Medical Consultation Commission) on transfer to other lower paying work or being demoted to a lower position imposed on the worker as a disciplinary penalty, that is, due to the fault of the worker himself as a consequence of his violation of labor discipline.

Article 66 of the Fundamentals provides that workers or employes in need of easier work for reasons of health are obliged by the management with their consent to be transferred to such work temporarily or for an indefinite period depending on the medical conclusions. These workers retain their former average wages for two weeks from the day of transfer and in cases provided by legislation of the USSR and union republics, these are retained for the entire period of performance of the lower paying work or are paid additional sums from state social insurance.

Article 156 of the RSFSR Labor Code specifies that workers and employes who have been temporarily transferred to other, lower paying work in connection with becoming ill with tuberculosis or an occupational disease are issued a grant for the entire time of their transfer, but not for more than two months, on the basis of a medical certificate in an amount which together with the pay for the new work does not exceed the full actual earnings for their former work. If other work is not provided by the management within a period indicated in the medical certificate then for the days lost as a consequence of this the monetary aid is paid on general grounds.

Workers and employes temporarily transferred to lower paying work due to being crippled or some injury connected with work at an enterprise, institution or organization are paid the difference between their former earnings and present earnings at the new work. Such a difference is paid up to full restoration of working capacity or with establishment of persistent loss of working capacity or invalidism. A worker who refuses such a transfer, which is only possible with his consent, can be (in exceptional cases) fired on the initiative of the management in connection with disclosed unsuitability of the occupied position or work done because of the state of health and given the condition that the proffered work at the given enterprise or at other enterprises of the same population center corresponds to the type of his work.

[Question] What documents are required for admittance to temporary work?

[Answer] Admittance to temporary work calls for the same documents as in the conclusion of a work agreement for an indefinite period.

[Question] Can management send a temporary worker on an out-of-town assignment?

[Answer] According to the Ukase of the Presidium of the USSR Supreme Soviet of 24 September 1974, legislation of the USSR and union republics applies to workers and employes on labor with exceptions that do not deal with being sent on an out-of-town assignment. Consequently, management has the right to send a temporary worker on an out-of-town assignment.

[Question] Has the length of time been established for requests on granting of a vacation?

[Answer] In existing legislation the length of time for requests on granting of a vacation in fact has not been established. For this reason if a worker through the fault of management has not utilized his vacation, for example, in the course of 2 years, he nonetheless does not lose the right to a vacation for the years worked.

[Question] Can an extra vacation be granted to other individuals working an incomplete week but a full workday or only to women with children?

[Answer] In accordance with clarifications of the Legal Department of the USSR State Committee for Labor and Social Problems, an additional vacation for a workday with nonfixed hours on the demand of individual organizations and citizens may be granted to other persons working an incomplete workweek, but a full workday by analogy with the Statute on the Manner and Conditions of the Use of Labor of Women with Children and Working Incomplete Worktime as affirmed by the decree of the USSR State Committee for Labor and Social Problems and the AUCCTU Secretariat of 29 April 1980 No 111/8-51.

The duration of such a vacation is set by management in agreement with the the trade-union factory-plant or local committee with consideration being given to strenuousness of the work and employment at a nonfixed time.

[Question] Is a grant paid because of temporary loss of working capacity to old-age pensioners who have become ill during the 2-month work?

[Answer] According to the Statute on the Manner of Allotment and Payment of Grants for State Social Security to Workers Engaged in Temporary Work, the grant for temporary disability as a consequence of being crippled at work or because of a vocational ailment is issued on general grounds while the grant for temporary disability due to other causes is allotted for not more than 75 calendar days.

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Average Earnings in Vacation Payment

Moscow EKONOMICHESKAYA GAZETA in Russian No 29, Jul 82 p 16

[Text] The time of summer vacations is at its height. The AUCCTU Legal Department explains the manner of computing average earnings for payment of annual vacations.

[Question] How are average earnings computed for payment of a vacation?

[Answer] The payment for an annual vacation of workers and employees is made on the basis of a computation of average earnings. Calculation of average earnings depends on the system of work remuneration. If a worker or employee is paid on the basis of piecework and also if his earnings vary from month to month, average daily earnings are determined in the following manner. The entire earnings for the 12 calendar months preceding the first day of the month for a scheduled vacation are divided by 12 (for average monthly earnings) and then by 25.4 (average monthly number of working days in terms of the year). The average monthly earnings obtained in this way are multiplied by the number of workdays in the vacation according to the calendar (rather than by the schedule).

Workers and employees for whom pay for time worked is used, which does not change by days or months (salary or wage rate without added payments and increases or with permanent increases and supplementary payments) have them computed for the time scheduled to be paid on the basis of average earnings in all cases (including for the paid vacation) according to the indicated unchanged earnings (§58 of Basic Rules for Computation of Labor and Earnings).

[Question] What is the manner of determining average earnings for a vacation in the case where vacations for 2 years are added together or in the case of transfer of a worker from one job to another in the course of the workyear?

[Answer] Sometimes a worker is permitted to take together vacations for two years. Payment of the vacation is not made on the basis of earnings for each workyear but rather on the basis of computation of earnings for the 12 calendar months preceding the month of going on vacation. In the computation of average earnings for payment of a vacation, consideration is given only to earnings at the given enterprise. For this reason in those cases where a worker has worked at a given place for less than a month, the average earnings are determined for the entire time from the first of the month following him being hired for the work to the first of the month of going on vacation. Article 71 of the RSFSR Labor Code permits granting certain categories of workers and employees an advance for a vacation in the first year of work up to the expiration of 11 months of continuous work at the given enterprise. In these cases, the average earnings retained for the time of the vacation are computed for the months of work at the given enterprise.

[Question] What payments have to be considered in the computation of average earnings?

[Answer] The legislation does not provide an exhaustive list of types of earnings taken into consideration in the computation of average earnings for payment of the days of a vacation. The calculation includes in particular: payment on the basis of wage or salary rates; supplementary payments and increases made on the basis of qualifications and increased intensity of work, for conditions of work and in other cases; guaranteed payments as well as production bonuses from permanently operating systems of remuneration paid from the wage fund at the enterprise.

[Question] During the 12 months used in determining average earnings, the worker is on vacation without preservation of wages. Does not this affect the size of average earnings?

[Answer] In May 1962, the State Committee for Labor and the AUCCTU Secretariat adopted a special interpretation on the manner of computation of average earnings for payment of annual vacations in individual cases. It provided that in the computation of average earnings for payment of annual vacations time is excluded from the calculation where workers or employees in conformity with legislation were released from basic work with partial retention of pay or without payment. For example, in cases of a vacation without preservation of wages or with partial payment, particularly for veterans of the Great Patriotic War; for working women for care of newborn children by the mothers for the time period prescribed by legislation; for women with two or more children of up to 12 years of age. If for the time of release from work, a part of the wages has been retained, the retained pay is excluded from the calculations. In the aforesaid cases, average monthly earnings are determined by dividing the earnings for full actually worked months (from the first to the first of the month) by the number of those months.

Working at Home

Moscow IZVESTIYA in Russian 18 Jul 82 p 4

[Text] Today many people, especially women with minor children would like to work at home. What procedure has been established for such work and who can work under these conditions?

I. Chernushenko, Kiev

On 29 September 1981, the USSR State Committee for Labor and Social Problems adopted the Statute on the Conditions of Labor of Persons Working at Home. According to the statute, persons working at home [nadomniki] are defined as persons who have concluded a work contract with an association, combine, enterprise, organization or kolkhoz on performance of work at home by personal labor with materials and with the use of tools and means of labor allocated by the enterprise or acquired with funds of this enterprise. Manufacture of items from one's own materials and with the use of personal mechanisms and tools is allowed with the permission of the management.

The labor of persons working at home must first of all be employed in the production of consumer goods, provision of individual services to citizens and enterprises. Persons who work at home may be assisted by members of the family. At the same time, the management has the right to utilize their labor for the making of other items (work) where this is possible on the basis and technology of production and is economically feasible for work at home.

Preference for the conclusion of a labor contract for work at home is granted to women with children up to 15 years of age, invalids and pensioners (regardless of type of granted pension), to persons with reduced working ability for whom work at home has been recommended in the prescribed manner, for those

who look after invalids or chronically ill family members, for persons studying at educational institutions who for objective reasons cannot be employed directly in production in the given locality (for example, in areas and locations with free labor resources) and so on.

Those who have a shop for the production of items of folk art handicrafts, souvenir articles or original packaging for them can be hired for work at home regardless of their activity and work at other enterprises. Restrictions set by legislation on holding two jobs do not apply to them.

7697

CSO: 1828/170

LABOR

ECONOMIC EXPERTS COMMENT ON NET OUTPUT NORM INDICATOR

Letters to the Editor

Moscow EKONOMICHESKAYA GAZETA in Russian No 39, Sep 82 p 9

[Text] "In order to study the experience of your association, the Engel's Fuel Filter Plant earnestly requests procedural materials on intraplant performance evaluation and planning according to the normative net product indicator. Plant Director V. Soldatkin."

"The Minsk Planning and Design Technological Institute is drawing up recommendations for the development of brigade forms of labor organization and incentives at enterprises of the Ministry of Tractor and Agricultural Machine Building. We are requesting information on the compilation of assignments for brigades in terms of the normative net product in order to study your experience. Institute Deputy Director P. Motey."

"The Moscow Institute of Railway Engineers is working on a scientific project to improve intraplant cost accounting at enterprises of the Ministry of Railways. Please tell us about your experience in the organization of cost accounting in shops with the use of the normative net product. Professor I. Biryukov, institute vice-chancellor."

The Novokramatorsk Machine-Building Plant production association has received dozens of letters like these. Others have been received by the editors of EKONOMICHESKAYA GAZETA. It is understandable that enterprise specialists, scientists and economists should be interested in the association's experience. The planning of shop and brigade operations according to the normative net product indicator is being conducted successfully here. The new practice has brought about the following results:

The 100-percent coverage of all workers in mechanized divisions by brigade forms of labor; the uniform loading of production capacities; the expansion of multi-unit maintenance; a considerable rise in labor productivity and wages and good incentives for workers to improve skills dramatically and strengthen discipline.

At the request of our readers, we are publishing a discussion of this experience.

Association Administrator Lists Prerequisites

Moscow EKONOMICHESKAYA GAZETA in Russian No 39, Sep 82 p 9

[Response by A. Chepelev, deputy general director of the association in charge of economic affairs, to discussion conducted by B. Sidorenko and Yu. Tartanov: "The Initial Stage"; passages rendered in all capital letters printed in boldface in source]

[Text] I think I will not be saying anything particularly new if I mention that my own many years of experience as an economist have proved that the effectiveness of an economic indicator is most fully guaranteed when it applies to several categories--that is, when it applies to the direct producers--workers, brigades and sections. The normative net product indicator has all of the necessary prerequisites. In our opinion, the system which is now being used at enterprises for the establishment of the plan for intrashop subdivisions in the form of production assignments is faulty.

In the first place, these production assignments are not a stable form of planning and are often set on the basis of past output.

In the second place, production assignments are based on the standard hour, while the plan is stated in terms of tons for some shops (procurement) and in terms of thousands of rubles for others (assembly). The manufacture of metallurgical equipment, for example, is planned at enterprises in terms of thousands of rubles in wholesale prices, in tons and in normative net product volumes.

These differences in planning practices virtually exclude the possibility of the valid comparison of assignments to final enterprise results, and the difficulty of dividing the enterprise production plan among structural subdivisions, including the division of assignments among work positions, complicates the construction of an effective system of economic incentives to ensure plan fulfillment.

This is why, when our association was one of the enterprises in our branch to convert to the planning and evaluation of performance according to the normative net product, we immediately began to work out methods of calculating net product normatives for parts, components and orders to serve as operational assignments for production shops and brigades in an efficient calendar planning system. During this process, it is extremely important not to become obsessed with the "invention of the bicycle." In particular, we studied the experience of enterprises of the Ministry of Instrument Making, Automation Equipment and Control Systems in the use of this new operational indicator and we also investigated the incentive system used by the Ministry of the Electrical Equipment Industry.

Finally, we compiled an entire series of procedural and instructional materials. The main ones were the procedures for the intraplant planning and evaluation of the association's production and economic activity according to the normative net product indicator and some others.

The planning of normative net product volumes for brigades is now being conducted with a view to the capabilities of each member of the collective. Assignments for

the plan period (5 years, 1 year, quarter or month) are calculated on the basis of the workers' actual output during the last year of the previous five-year plan. AN UNCHANGING BASE OUTPUT IS SET FOR BRIGADES FOR 5 YEARS, AND THE MAXIMUM BONUS FOR THE OVERFULFILLMENT OF ASSIGNMENTS HAS BEEN RAISED FROM 32 TO 43 PERCENT. Furthermore, the annual adjustment of the estimated normative net product is envisaged so that it can be raised in line with a rise in the labor productivity level assigned for the association for the 5 years.

We feel that brigade assignments are an exceptionally important matter. We have instituted an individual performance rating for each worker, designating the correlation of his actual wage in the so-called base year preceding the new five-year plan to the normative wage. The rating is stable for the 5-year period. The planned normative wage for the year preceding the plan period is multiplied by the individual performance rating and by the shop normative net product coefficient for the given period.

The establishment of plan assignments for brigades with a view to the individual capabilities of workers guarantees a more realistic plan than their establishment according to an average figure. The model has finally approached the ideal: The sum of all the normative net product volumes of workers is equal to the normative net product volume of the brigade, the sum of brigade volumes is equal to the section volume, and so on from sections to the shop and from shops to the plant.

Now I would like to say something about intershop cooperation. Planning is still conducted according to separate schedules in this area. Each equipment-hour required for the manufacture of parts and components for other shops has been included in the accounts for the section and the shop as part of the aggregate figure. This meant that the section or shop could have the necessary quantity of equipment-hours but there could be a shortage of the required parts.

The new system for the evaluation of shop performance equates cooperative transactions with the shop's regular orders. Intershop cooperation is therefore just as advantageous as the manufacture of the main assortment because ALL OF THE QUALITATIVE INDICATORS OF SHOP PERFORMANCE HAVE BEEN CALCULATED ACCORDING TO THE TOTAL NORMATIVE NET PRODUCT OF THE SHOP, WHICH INCLUDES THE REGULAR NORMATIVE AND INTER-SHOP COOPERATION.

How is the shop normative net product calculated? It consists of the basic and supplementary wages of production workers with deductions for social insurance and the wages of general shop personnel with deductions for social insurance (that is, the wages contained in comprehensive shop expenditure items) and the profit norm. To exclude the possibility that the manufacture of various items will differ in terms of economic advantage, profits are calculated with a view to the average profitability coefficient for the product the plant manufactures, which is ratified by the ministry.

A brief and eloquent description of these innovations would probably sound like this: Today the association managers, shop supervisors, foremen, brigade leaders and workers are speaking the same economic language.

Laboratory Chief's Recommendations

Moscow EKONOMICHESKAYA GAZETA in Russian No 39, Sep 82 p 9

[Response by M. Turevskiy, chief of the Laboratory for the Economics and Organization of Production, to discussion conducted by B. Sidorenko and Yu. Tartanov: "With a View to Intensity"]

[Text] We believe that this work has now reached the important stage at which, now that procedural documents have been drawn up on the calculation of the normative net product and the means of applying it to each work position, methods of evaluating the results of work must be determined with a view to the degree of effort required for the fulfillment of assignments. Experience tells us that this approach motivates competing individuals to make efficient use of all the factors which cannot be underestimated or they will keep them from taking a leading position when the victors for the past operational period are being announced.

I would like to say something about the procedure for summing up competition results with a view to the intensity of assignments, using three brigades from mechanical shop No 1--the initiator of the use of the new indicator in the association--as examples.

The brigade of machine tool operators headed by M. Prikhod'ko, for example, fulfilled its monthly normative net product assignment by 116.3 percent, with corresponding figures of 107.8 percent for V. Zubko's brigade and 101.7 percent for N. Dovzhenko's brigade. This would seem to be an obvious matter because the differences are quite sizeable. But let us not be hasty with our conclusions; let us look at the matter from the standpoint of intensity.

We calculate plan fulfillment with a view to intensity by multiplying the actual fulfillment of normative net product volumes (in percentage terms) by the degree of intensity.

The degree of intensity, in turn, is calculated with a view to such factors as total work time, labor expenditures, the personal labor contribution of workers and the number of workers required to complete the assignment.

When each factor is assessed, the correlation of the actual value of the brigade indicator to the plan indicator is multiplied by the value of the factor according to a special point scale. The values derived for each factor are then totaled, and the result is the degree of intensity.

The normative net product fulfillment figures for August with a view to plan intensity were the following: 118.7 percent for V. Zubko's brigade, 118.1 percent for M. Prikhod'ko's and 109.9 percent for M. Dovzhenko's. The victors in the socialist competition, therefore, were the workers of V. Zubko's collective because he made better use of work time, reduced labor expenditures and achieved equal results with fewer workers.

But, we are often asked, which stage is particularly crucial when methods are introduced for the evaluation of labor results with a view to intensity? I must say

that it is the initial struggle against certain psychological difficulties. It is not so easy for people to discard traditional and customary, although faulty, forms in favor of new ones, and this also requires more thorough, as it were, economic training for each member of the collective and each worker. Here we economists and the system of economic education have an exceptionally important role to play. It is true that it takes a great deal to break customary lines of reasoning, but it is worth it, because the summation of results acquires a more concrete form.

Another important matter is the improvement of cost accounting in the brigade and the section. To simplify economic analysis and the summation of competition results, we worked out comprehensive personal accounts of operational effectiveness and quality, which are drawn up by brigades on the basis of their approved counter-plans and are filled out monthly by the brigade leader and the personnel of the economic planning bureau and the shop bookkeeping office.

From the Comprehensive Personal Account of Operational Effectiveness and Quality of V. Zubko's Brigade of Machine Tool Operators

<u>Indicators</u>	<u>Unit of measurement</u>	<u>Months</u>	
		<u>June</u>	<u>August</u>
Reduction of normative net product at brigade's suggestion	ruble	494	495
Overfulfillment of labor productivity plan (over 100 percent)	percent	5.7	8.4
Equipment shift coefficient		1.30	1.47
Products approved on first inspection	percent	100	100
Losses from brigade-caused defects	ruble	--	--
Labor quality coefficient		0.98	1.00
Plan fulfillment (production assignment)	percent	105.7	107.8
Capacity use level	percent	73.7	85.6

Such basic cost accounting indicators as the normative net product, the assortment in natural terms, the number of workers, total wages, output per piece-rate worker calculated according to the normative net product, the level of production capacity utilization and some others are set as the standard for the enterprise.

Here is an interesting point. The reduction of labor-intensity at the brigade's initiative is calculated monthly in the personal account and is credited to the brigade and section in quarterly results as profit, from which bonuses are paid in accordance with the "Statute on the Formation of Additional Financial Incentive Funds with the Use of the Surplus Normative Net Product." The normative net product which is reduced by the quantity of reduction in labor intensity is not subject to adjustment (or revision) within the entire 5-year period. Furthermore, it is important to note that the surplus normative net product is calculated differently for each order, component and part, for each section and for the shop as a whole. Bonuses are paid to members of collectives converted to the cost accounting system in accordance with the indicators of the specific subdivision and regardless of the results of shop operations, so that the "sins" of the guilty cannot be heaped upon the innocent. The brigade normative net product is calculated on the basis of a

single order, made out in the brigade leader's name, and the volume for the section is equivalent to the total volumes of the brigades working in the section.

In reference to the future, I can say that association economists and specialists and the majority of people are enthusiastic about the new practice and are doing much to develop, if the term can be used in this connection, comprehensive cost accounting on the scale of the entire enterprise. This will be a difficult task, but an interesting one. We are relying on the assistance of experts from the ministerial economic planning administration, the sectorial scientific research institute of economics and the USSR State Committee for Prices. We have already reached an agreement with them and now we can move on to the accomplishment of this task.

8588

CSO: 1828/3

LABOR

LEGAL MEANS OF REDUCING LABOR TURNOVER REVIEWED

Moscow SOTSIALISTICHESKIY TRUD in Russian No 11, Nov 82 pp 74-81

[Article by Doctor of Legal Sciences, R. Livshits of the State and Law Institute of the USSR Academy of Sciences: "Legal Means for Strengthening Labor Discipline and Preventing Personnel Turnover"]

[Text] Under the conditions of converting the economy to the intensive path of development, the greatest importance has been assumed by raising labor productivity and by the rational, efficient use of manpower and each minute of working time. A good deal is being done in our nation for this. New equipment and production methods are being produced at more rapid rates, production management is being improved, scientific methods for the organization of labor are being applied on a planned basis, and the economic education and indoctrination of personnel are being carried out widely. However, the opportunities for increasing production efficiency are far from fully utilized. One of the reasons for this is the violation of labor discipline and personnel turnover.

In 1979, the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU adopted the Decree "On Further Strengthening Labor Discipline and Reducing Personnel Turnover in the National Economy." This decree is of permanent importance. It outlines a broad path of social, economic and legal measures aimed at raising the level of labor and executor discipline.

Reasons for the violation of labor discipline and personnel turnover. In order to combat the violations of labor discipline and reduce personnel turnover, it is essential to know the reasons for these phenomena. Numerous sociological studies make it possible to conclude that the violations of labor discipline occur primarily where a normal psychological climate has not been created in the collective, where the prospects for professional growth have not been set, where insufficient attention is given to improving working conditions and the organization of labor, where measures are slowly carried out to mechanize heavy physical jobs and where an even pace in work is not maintained. At certain enterprises the employees are not satisfied by the wage conditions and the inefficient incentive systems which do not fully consider the labor contribution of a man, his industry and initiative and the indifference of certain economic leaders to the domestic and cultural needs of people caused concern.

The listed factors appear differently at various enterprises. And the degree of their influence on the attitude of a person to his labor varies. But taken together they prevent the all-round satisfaction with labor, they cause

conflicts, they weaken a man's sense of responsibility to the collective and ultimately lead to the violation of labor discipline. Personnel turnover is also caused directly by the designated factors. In being dismissed from an enterprise, in our nation a person does not worry about tomorrow for he is confident that he will find a job at another place. The data of surveys conducted at the enterprises of various industrial enterprises show that these reasons often explain up to 70 percent of the dismissals at the worker's request (the remaining 30 percent are dismissals for personal reasons).¹ Persons who are not satisfied with the organization and conditions of labor at a given enterprise are also more often the violators of labor discipline.²

Obviously, it is possible to state that a weakening in the satisfaction from labor is a common initial reason for personnel turnover and disciplinary violations. Empirical data are easily explainable theoretically. The action of one or another negative factor (or several factors) gives rise to a disinterest in continuing employment at the given enterprise. At best, the worker is indifferent whether he continues his labor activities at the given enterprise or changes jobs. In other instances he endeavors actively to change jobs. But in all instances a disinterest in continuing employment at a given enterprise causes an indifferent or negative attitude toward carrying out the set duties. Thus, a weakening in satisfaction in a job is an objective reason for personnel turnover and disciplinary infractions.

At the same time, the transition from the causes to the consequence is varied. Sociological research has shown that there are many more workers not satisfied with the various working conditions than there are violators of labor discipline or persons changing their job. Certainly far from every dissatisfaction gives rise to a disciplinary infraction or an abrogation of a labor contract. The lessening of an interest in labor is the objective basis for negative phenomena and it creates the possibility of them. However, a possibility is not reality. Possibility is embodied in reality through the actions of the workers and through their conduct. The level of worker awareness, the level and effectiveness of indoctrinational work at the enterprise and the attitude of the worker to his duties have a substantial impact on his conduct. They can influence the fact that an undesirable possibility is not carried out into reality and also the fact that the worker has not left the enterprise and has not become a violator of labor discipline. For this reason the indoctrinational

¹ See, for example, M. V. Kurman, "Dvizheniye rabochikh kadrov promyshlennogo predpriyatiya" [The Movement of Personnel of an Industrial Enterprise], Moscow, 1972, pp 98-99; Z. I. Pruts, R. M. Sultanova and M. I. Talalay, "Sozdaniye postoyannykh kadrov na predpriyatiyakh" [The Creation of Permanent Personnel at an Enterprise], Moscow, 1980, pp 42-43.

² See, for example, "Pravovyye osnovy nauchnoy organizatsii truda" [Legal Bases for the Scientific Organization of Labor], edited by Prof. A. S. Pahskov, Moscow, 1967, p 231; "Trudovaya distsiplina kak ob'yekt sotsial'nogo planirovaniya v proizvodstvennykh kollektivakh" [Labor Discipline as an Object of Social Planning in Production Collectives], edited by Prof. A. S. Pahskov, Leningrad, 1971, pp 29-34.

means and the creation of a favorable climate in the collective in no instance must be underestimated and their role in strengthening discipline and the stability of the personnel is great. But the basic way is to eliminate the objective reasons for dissatisfaction with labor at an enterprise and in the all-round strengthening of the labor tie between the worker and the enterprise.

The conduct of a worker not interested in working at an enterprise leads to one of two variations for quitting. In the first instance, he acts correctly in submitting a request for leaving and after the established period leaves the job at his own request. In the second instance he acts incorrectly, in committing violations of labor discipline and ultimately the administration dismisses him. It is important to draw attention to the fact that the reason for "valid" turnover and violations of labor discipline is one and the same, the insufficiently strong labor link between the enterprise and worker. It is essential to endeavor to achieve the closest relationship between the interests of the enterprises, the labor collective and the individual worker. When it is impossible to do this, then the negative consequences arise in turnover and infractions of labor discipline.

A rise in the interest of labor is a concern not only of the given enterprise, but also of society as a whole. Certainly, the basic link between the worker and society is carried out through the labor activities at a specific enterprise. The worker gives his labor to the enterprise and it should satisfy his needs in accord with the quantity and quality of labor. The party and the government are taking measures aimed at creating the best conditions for highly productive labor, for strengthening its creative nature, for reducing in every possible way, manual, unskilled and heavy physical labor, improving working conditions and safety procedures and strengthening control over the measurement of labor and the measurement of consumption.

In carrying out the tasks related to improving working conditions, in improving the organization of labor, in creating a favorable psychological climate in production and in satisfying the material, domestic and other needs of the workers, the main role is played by the economy. At the same time a great deal depends upon the rational and effective use of legal means.

Legal means for increasing the interest in labor. The law affects the conduct of people. The obligatory nature of the legal prescripts makes the law an important implement in the development of society. The CPSU and the Soviet government give great attention to improving the law and the legal means for creating the material and technical base of communism.

One of the tasks of labor legislation is to help increase labor productivity, to raise the efficiency of social production and on this basis increase the material and cultural standard of living of the workers, to reinforce labor discipline and to gradually turn labor for the good of society into the first vital necessity of each person capable of working.

In recent years, the labor legislation has been supplemented by new, important standards. First of all, we should mention the standards on social planning. Article 16 of the USSR Constitution points out that economic leadership is

carried out on the basis of the state economic and social development plans. Thus, the social divisions of the plans have acquired the same legally binding nature for execution as have the economic sections.

In accord with the Decree of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Strengthening the Effect of the Economic Mechanism on Raising Production Efficiency and Work Quality" of 12 July 1979, within the state plans summary sections are being worked out for the entire range of measures in the social development area. These sections provide measures to improve working conditions, to increase skills and the professional mastery of the workers, the general education and cultural level of the population, to improve housing and cultural-service living conditions, medical services and so forth. The carrying out of the social development plans will aid largely in changing the attitude toward labor and gradually turning it into a prime vital necessity.

Important decisions have been taken aimed at strengthening labor discipline and preventing personnel turnover. As is known, it is possible to combat the violations of labor discipline and personnel turnover by two groups of legal means: by establishing incentives for good workers and tightening the sanctions for bad ones. The Decree of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU "On Further Strengthening Labor Discipline and Reducing Personnel Turnover in the National Economy" uses both means, but there is a clear predominance of incentive means.

First of all, great attention is paid to improving the organization and incentives of labor. Provision has been made to consistently carry out a transition to the collective forms of the organization of labor and wages; the necessary aid is to be provided systematically to the brigades in improving their work in the recruitment and placement of personnel; the role of the councils of production brigades and councils of brigade leaders is to be increased; the material-technical supply level and the energy-to-labor ratio are to be improved, and wages and labor norming improved; the labor collectives and social organizations are to be more widely involved in settling these questions. The decree places responsibility for the state of labor discipline on the administration, in emphasizing that the subdivision leaders are responsible for the strengthening of labor discipline as they are for the carrying out of the plan quotas.

Additional labor benefits have been introduced for disciplined regular workers. Additional leaves have been provided for continuous employment at one enterprise (in the production sectors) and additional old-age pension payments for extended continuous employment at one enterprise, institution or organization. In recent years, the payment of a one-shot remuneration for the number of years worked has been significantly expanded. All these measures have been extended to millions of employees who conscientiously carry out their labor duties.

The decree introduced new measures directed against the violators of labor discipline as well as against those persons who frequently and without valid reasons change their employment. It is a question of reducing the additional leaves granted for the continuous length of employment in the event of absences without leave as well as an interruption in the length of employment with a

second dismissal in a calendar year at one's own request and without valid reasons. These reasons do not touch upon the basic labor rights of the employees. The decree has employed a mechanism characteristic for the present stage of development in the socialist society. The overall level of labor guarantees has been increased for the employees, but these additional benefits do not extend to the violators of labor discipline. Thus, the policy has been continuously carried out of increasing the prosperity of the workers. At the same time, new benefits are not granted to those citizens who show an unconscientious attitude toward the performance of labor duties. There has been a differentiation in the level of labor benefits for workers depending upon their attitude toward labor and this is not linked to a reduction in the achieved general initial level of labor rights.

Legal means for preventing personnel turnover. The aim of the legal regulation for retaining personnel is to make it disadvantageous and uninteresting for a worker to shift jobs. One cannot help but consider that the principle of the freedom of labor by necessity includes the right of the worker to leave at his own request. Consequently, the personnel can be retained not by an administrative prohibition on leaving, but rather on the basis of creating an interest to continue the previous work. Among the means of labor law for this purpose a system of incentives is employed for extended continuous employment, including: the granting of additional leaves for the length of employment; the payment of a one-shot remuneration for the number of years worked and remuneration for the results of the year; increasing the amount of aid for temporary disability on the basis of increasing the continuous length of employment; additions to pensions. This system has strong traditions in labor legislation. It helps to increase the material prosperity of the workers and primarily the regular and disciplined ones.

At the same time, the basic purpose of all the listed measures is not only to help to increase the material prosperity of the workers, but also to reduce personnel turnover and encourage the creation of stable labor collectives. However, as sociological research indicates, the action of the incentives aimed against personnel turnover is ineffective and at certain enterprises not effective at all.

Obviously, the means employed to prevent turnover are not related to the factors which cause turnover. The general reasons for turnover as described above, that is, dissatisfaction with the content and conditions of labor, wages, the availability of domestic needs and so forth, are well known. But these general causes are manifested differently at each enterprise. It can be asserted that the general reasons for turnover are manifested at each enterprise individually and specifically. There are certain problems at enterprises where there are many young persons; there are others where female employees predominate; there are still others at enterprises with heavy working conditions and so forth. It is well known that even at enterprises of the same sector which are under the same conditions, turnover can vary.

For example, at the Tiraspol Garment Mill imeni 40-letiya VLKSM, where basically young people are employed, turnover is minimal. This is explained by the fact that the administration and public organizations have been able to create

a good psychological climate, having put concern for man at the center of attention. A polyclinic has been organized with modern therapeutic equipment, there is a network of dining rooms, a prepared-food store, and five children's daycare centers, a cultural club and so forth. There are many similar examples. Hence, one must struggle against turnover not only by centralized means, but also at each enterprise considering the specific conditions and the specific reasons for the turnover. In our view, this will increase the effectiveness of the centralized means for preventing turnover.

We feel that an increase in the amount of aid for temporary disability with an increased length of employment or an addition to the old age pension for continuous employment will scarcely have any active influence on preventing turnover. Middle-aged people are concerned with aid and pensions while turnover, as the sociological research indicates, is basically a function of young personnel. An additional leave for continuous employment also is not an effective incentive for continuous employment at one enterprise. The leave is not long and additional time off can also be obtained by unpaid leave.

We would particularly like to take up the question of one-shot remuneration for the number of years worked. This payment has just one purpose, to help retain personnel. In recent years, the sphere of its application has been broadened and significant amounts from the enterprise wage funds are spent on paying the remunerations. We feel it is essential to thoroughly assess not only the merits (the increase in wages), but also the shortcomings of this payment. A one-shot remuneration for the number of years worked is not tied to labor productivity or with the end working results of the enterprise collective as a whole and each worker. The payment is made automatically just for the length of employment. However, in and of itself continuous employment at an enterprise still does not mean an increase in the end results of labor or greater labor productivity.

Furthermore, the payment for the number of years worked must not be introduced everywhere. Its introduction in certain sectors or for certain employees of a sector leads to personnel turnover. Thus, in ferrous metallurgy, the payment for years worked was introduced for steel casters and workers in basic production, but not introduced for auxiliary workers. In construction, the basic workers receive a payment for years worked in the contracting organizations, but do not receive this in building projects by the direct-labor method; nor do the auxiliary workers receive this. At the Zhdanov Azovstal' [Azov Steel] Metallurgical Plant, turnover among the so-called auxiliary workers is 3- or 4-fold more than among the basic workers. On certain production lines there is no one now to repair the rolling mill and a giant blast furnace at times is served by a "half-repairman" a shift.³

Sociological research affirms that remuneration for the results of annual operations has a significant impact upon stabilizing the personnel. This payment has serious advantages over remuneration for the number of years worked. It

³ Yu. Vasil'kov and N. Mokrishev, "Personal and Collective Opinions. The Open Letter Day at the Zhdanov Azov Steel Metallurgical Plant," TRUD, 23 August 1981.

depends upon the results of the collective's labor, it does not have the character of a sectorial benefit, the enterprises can vary the amount of remuneration for the results of annual operations considering the personnel, the reasons for turnover and so forth.

Over the long run, we feel, local means should become the basic ones in preventing personnel turnover. One might consider giving the enterprises special allocations to carry out measures to retain personnel and give them the right to use these funds at their own discretion. Possibly such a use of funds would be more effective than the introduction of the costly remuneration for the number of years served. In one instance this could be an increase in the amount of remuneration for the results of annual operations, in a second instance, an additional payment for three-shift work and nighttime work, in a third, for the construction of housing and children's institutions, and in a fourth additional expenditures to improve working conditions. The specific end results and the growth of labor productivity should become the justification for such expenditures. If the enterprise has not achieved an improvement in the corresponding indicators, further allocations should not be made.

Possibly there are other ways for improving the mechanism aimed at preventing personnel turnover. But with any solution, basic attention, in our opinion, should be directed to broadening the rights of the enterprises in the struggle to stabilize the labor collectives. Personnel turnover always has a local explanation and it must be combated primarily by local means.

Measures for affecting the violators of labor discipline. The violations of labor discipline cause significant loss to the national economy and they must be decisively combated.

Statistics indicates that the number of disciplinary infractions, including the most serious ones such as absences without leave, is not increasing. It has stabilized and shows a tendency toward a slow, insignificant decline. The constant attention to the strengthening of labor discipline is to be explained not so much by the deterioration in this area as by the absence of serious improvement. At the same time, under the conditions of the intensification of production, when the price of each minute is increasing, the eliminating of labor discipline infractions comprises a significant reserve of savings and it is essential to utilize this reserve. The strengthening of labor discipline gives society a significant economic gain and without any major capital investments.

The cardinal way for increasing labor discipline is the same as for stabilizing the personnel, that is, increasing the interest in labor. It is essential first of all to eliminate the factors which create the possibility of disciplinary infractions. But, as was pointed out above, among the workers not interested in work at a given enterprise, the violators of discipline make up only a small part. Not every worker who is not interested in labor becomes a violator of labor discipline. Counteracting factors should be set up on the path from possible violations to an actual violation of discipline. The purpose of these factors is to prevent a potential violation of labor discipline from becoming a real violation. Among these factors an important role is played by legal measures against the violators of labor discipline.

The measures aimed against the violators of labor discipline by their legal nature are measures of responsibility. Their primary aim is to punish the violator, to worsen his actual and legal situation and to cause negative consequences for him. The violators conduct contrary to the law is the basis of responsibility or liability. The second aim is to influence the other members of the labor collective, to indoctrinate intolerance for the infractions of discipline and to prevent such violations.

The labor legislation envisages a diverse system of measures for effecting the violators of labor discipline. This system includes disciplinary reprimands (a comment, a condemnation, strict condemnation, temporary transfer to a less paid job or dismissal), measures of disciplinary or material influence (reducing the amount of the bonus, the remuneration for the results of annual operations or for the number of years worked, a reduction in the regular vacation, a shifting of the time for granting vacation and so forth), material liability for losses caused to the enterprise as well as public reprimands (reprimands imposed by a comrade's court or by public organizations).

The system of measures to influence the violators of labor discipline encompasses all aspects of influence on the violator, including material and moral, disciplinary and social, coercive and indoctrinational. It is rather strict. Let us recall that for the most widespread and serious infraction of labor discipline, an absence without leave, the law allows the severest punishment within the limits of the means of labor law, that is, a temporary dismissal, even in the absence of other violations in the past. It would scarcely be possible to strengthen the system of measures. And there have not been any specific proposals on this issue.

The insufficient effectiveness of the measures is to be explained in no way by their mildness. Practice has shown that the measures are applied to far from all the violators and many violations remain unpunished if not unnoticed. Thus, according to the legislation the administration is obliged to deprive an absentee of his bonus completely or partially. Nevertheless, up to 40 percent of the workers who committed absences without leave receive their full bonus. There are many reasons for the administration's passiveness. First of all, this is the difficulty of finding labor resources and the fear of losing a worker. Hence, it is not a question of the lenience of the law.

The Decree of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU "On Further Strengthening Labor Discipline and Reducing Personnel Turnover in the National Economy" has not introduced any new disciplinary penalties. This line can be clearly traced in the legislation of recent years. The decree points to the need to decisively eradicate instances of a lenient, liberal attitude toward infractions of labor discipline and to use for these purposes all measures envisaged in the labor legislation.

Certain enterprises have resorted to measures not envisaged by the legislation. Such a practice should be condemned. As Ye. Trenenkov has written in his article in the newspaper TRUD, there is widespread worker dissatisfaction with the practice that has developed in a number of regions of the nation of imposing collective material liability for individual violations of labor discipline,

free travel on public transport, the nonobservance of street traffic rules and so forth. In the brigades where such a system has been imposed, all the workers are unjustly deprived of bonuses because of one violator. This is wrong and does not conform either to the letter or the spirit of the law.⁴ The AUCCTU has repeatedly come out against such practices. This introduces responsibility without guilt and this is alien to our legislation. It replaces painstaking indoctrinational work with the violators by the holding responsible of innocent persons. The use of collective material responsibility for the violating of labor discipline leads to the concealment of violations instead of the effective combating of them.

A special word must be said about the extreme measure of dismissal for an infraction of labor discipline. At present, dismissal due to this factor is rather widely employed and it is permitted both for systematic violations as well as for instances of a single absence without leave. From the viewpoint of the interests of society, the excluding of the violators of discipline from the labor collectives is not advantageous. Often an extended period (up to 25-30 days) elapses before these persons begin a new job and this tells negatively on the manpower balance. At the new job, for a long time they are not included in the normal production pace. The costs in terms of indoctrinational work are also substantial as the violators are still not known to the new collective and the chain of violations commences again. In dismissing the violators the basic aim of the action is not achieved, their attitude toward the job and toward the collective is not changed and it merely shifts from one collective to another. There is an unique exchange of violators of labor discipline between the enterprises. This exchange is clearly disadvantageous for society. The hopes of the enterprise are also not realized as in the place of the dismissed violator it receives a new one who is still an unknown quantity.

In our view, it would be advisable to recommend that the administration and trade union committees of the enterprises resort to such a measure as infrequently as possible. Instead of dismissal, they should employ measures, in particular, a temporary shifting to less paid work. If a temporary transfer is employed instead of dismissal (that is, for systematic violations or for an absence without leave), it could be permitted without restriction to the limits of the profession or specialty of the violator. This question, in our opinion, merits discussion. During the period that the violator is transferred, benefits and advantages should not be provided from the public consumption funds. If the worker at his own initiative breaks relations with the enterprise during the transfer, then he must be considered dismissed for violation of labor discipline. At the same time, the collective maintains the possibility of influencing the violator. In our view, such an action could be more effective than dismissal from the job and the transfer of the violator of labor discipline to a new collective. From the economic viewpoint, the gain from limiting the dismissals is obvious.

In using the measures against the violator, one must not overlook the fact that their aim consists not in excluding him from the labor collective, but rather

⁴ Ye. Trenenkov, "The Wage Should Be Earned," TRUD, 22 May 1981.

in correcting his conduct and in altering his attitude toward labor. The activities of the administration and the social organizations must be subordinate to the achieving of this goal.

The CPSU Central Committee, the USSR Council of Ministers and the AUCCTU in the Decree "On Further Strengthening Labor Discipline and Reducing Personnel Turn-over the the National Economy" pointed out that the most important task for the party, soviet, trade union and Komsomol bodies and the economic leaders is to significantly improve the organizational and political indoctrination work aimed at strengthening labor discipline, eliminating the working time losses in production, rationally utilizing the labor resources and forming stable labor collectives. This is one of the main areas for carrying out the party's economic and social policy, for strengthening production efficiency and for indoctrinating a communist attitude toward labor. This task must be carried out in relying on labor legislation.

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LABOR

CURRENT STATUS OF BONUS SYSTEM EXAMINED

Moscow PLANOVOYE KHOYZYASTVO in Russian No 12, Dec 82 pp 66-74

[Article by V. Rakoti, candidate of economic sciences: "The Plan and the Bonus"]

[Text] The historical experience with economic management testifies that in every phase of economic development bonus payments have been used, with due regard for concrete tasks and conditions, as one of the effective methods of successfully fulfilling established plans (assignments). Bonuses are a means of increasing earnings while inspiring the worker to work better. When the bonus payment system is correctly organized and the bonus expresses social recognition of achievements at work, payment of the bonus has a moral impact and accelerates the process of instilling a conscious, creative attitude toward labor and a high level of public and production activism in workers. In this three-pronged but unified function the leading factor is stimulating fulfillment of established plans (assignments).

Plan Indicators — Bonus Payment Indicators

The use of bonuses in the system of economic levers and stimuli that are employed to intensify the interest in fulfillment and overfulfillment of plans presupposes a close connection between the indicators for bonus payment and production planning. Payment of bonuses is made dependent on the most important indicators for planning the economic activity of industrial enterprises, those indicators which characterize final results of work, rise in production efficiency, and improvement in the quality of work of the labor collective. At the present time this means the following indicators: sale of output with due regard for fulfillment of delivery contracts, growth in labor productivity, increase in profit, and improvement in the quality of output. Beginning in 1983 additional indicators will be added: a ceiling on material expenditures per ruble of output (work), assignments for prime cost, total volume of production of consumer goods, and volume of consumer goods production per ruble of wages paid at enterprises of the sectors of heavy industry.

Bonus payments for the basic results of economic activity covering practically all categories of employees aim to intensify the collective's interests. Bonuses are paid from two funds: wages and material incentive. They play the leading part in the stimulation system (94 percent of all bonuses). Depending on the category bonuses constitute 16-20 percent of worker earnings.

Two interrelated problems must be solved in organizing bonus payments: selection of those bonus payment indicators which will subordinate the work of each member of the labor collective to fulfillment of the enterprise's plan, and providing incentive to achieve appropriate plan indicators only for those employees whose interest must be bolstered to fulfill the plan.

The use of plan indicators to stimulate labor imposes higher requirements both for the methodology of calculating them and for their practical application. Theoretically it is not difficult to begin giving incentive only where all contracts for delivery of output are fulfilled. However, a number of factors that are objective in the present period, including imperfections in production planning, prevent this transition.

The indicator of proportion of output in the highest quality category to total production volume is used to determine the quality of output produced. We believe that it does not reflect the level of output quality at particular enterprises with adequate precision. Suppose that 30 percent of the total volume of output at one enterprise is output in the highest quality category, while at another enterprise the figure is 20 percent. According to the existing system of evaluation things are better at the first enterprise. However, the proportion of certified output there is 90 percent of total production volume, while at the second enterprise it is 50 percent. Therefore, the quality level is higher at the second enterprise. This would appear to be a convincing example, but planners continue to calculate the proportion of output in highest quality category relative to the total volume of production, not to the volume of output that has been certified and is subject to certification.

Let us look at economies of material resources. A monetary expression of the savings achieved is necessary for bonus payments to workers and engineering-technical personnel because the amounts of bonus capital are established as a percentage of the amount of savings. But only physical indicators are used when planning assignments for average reduction in expenditure norms and when making out statistical reports.

One might expect that the innovations introduced into the planning system in conformity with the 1979 decree of the CPSU Central Committee and USSR Council of Ministers on improving the economic mechanism would have a good effect on raising the effectiveness of bonus payments. These innovations involve the use of the indicator of normative net profit, ceilings on material expenditures, and systems of norms and standards for various work indicators.

As experience shows, enterprises are not always able to organize bonus payments effectively. Often they give incentive to employees who are not directly related to the indicators being stimulated, or bonuses are paid according to the overall results of work of a section, shop, or division without considering individual work indicators. In light of the decisions of the 26th CPSU Congress working people do not have an adequate material interest in lowering the labor-intensity of production, conserving resources, fulfilling all contracts for delivery of output, and producing nothing but good-quality articles, without defects and the need to be returned for modifications and fixing up.

Another reason that the stimulation system does not fully meet contemporary demands, in addition to shortcomings in the work of ministries, associations, and enterprises to organize material incentive of workers, is the procedure that has existed for several decades now where one bonus is paid for fulfillment of a group of indicators. The advantages of this kind of bonus payment system are well-known. It gives incentive to fulfill all the stimulated indicators, does not permit improving certain indicators at the expense of others, makes it possible to stimulate fulfillment of a number of indicators without increasing expenditure of incentive capital, and simplifies calculations of bonus amounts within the limits of available funds.

At the same time, the weaknesses of this system are becoming more and more obvious recently. They are the following: depersonalization of incentive for particular areas of activity; weakening incentive to achieve plan indicators when some of them are not fulfilled; the impossibility of establishing a relationship between the size of the bonus and a concrete savings of labor and material resources; the lowering of standards for observation of the established bonus payment system to workers because of the difficulty of depriving them of their entire bonus, which constitutes a significant part of their earnings; and, excessive use of deprivation of bonuses in relation to engineering-technical workers and employees as a penalty for various production mistakes.

For the purpose of making bonus payments more effective we should give careful attention to the proposal of B. M. Sukharevskiy on switching to bonus payments by factor, that is, paying bonuses for fulfillment of a certain group of indicators. To do this the set of basic indicators of economic activity is divided into three groups: growth in production of output and delivery according to contract; raising labor productivity; and, saving material resources. This breakdown of economic activity is optimal under current conditions where the demands made of the bonus payment system are steadily rising (although other alternatives are also possible).

Bonus payment by factor offers great opportunities for enhancing and stimulating the role of bonuses. It makes it possible to strengthen the relationship between the size of bonuses and the individual labor contribution; to simplify consideration of the intensity of plan assignments; to increase the significance of final work results for bonus payments on the basis of accelerating the transition to giving incentive only where delivery contracts are fulfilled; increase the proportion of bonuses paid for raising production efficiency by more economical use of labor and material resources; and, straighten out the bonus deprivation mechanism so that in the case of particular production mistakes what is withheld is not the entire bonus computed for the set of indicators fulfilled, but only the part that is linked to stimulation of the appropriate indicators.

The energy industry has accumulated some experience with bonus payment by factor. Since the 9th Five-Year Plan they have used separate incentive for fuel economy, preparedness of equipment to carry the maximum load in electricity production, and fulfillment of the profit plan. As a result fuel consumption for energy production has gone down systematically and in five years was reduced by more than three percent for the entire system of the USSR Ministry of Power and Electrification. At the same time profit rose 27.3 percent. In addition, in conformity

with the decree of the CPSU Central Committee and USSR Council of Ministers on improving the economic mechanism, beginning with the 11th Five-Year Plan the material incentive fund was to be formed by factor. For example, at most industrial enterprises one part of the fund, consisting of at least 50 percent, was made dependent on growth in labor productivity, while the other depended on the proportion of output in the highest quality category to total production volume.

The factor method of bonus payment raises several organizational questions: should a certain part of the bonus exert an equal or different influence on the interest of workers; if different, then what should be preferred; should each part of the bonus be paid independently of others or should there be a connection among them; if there is such a connection, what degree of interdependence should there be? The effectiveness of bonus payments depends on answering these questions correctly.

In our opinion, satisfaction of public needs for the output being produced stands out among the groups of indicators considered above. In the extracting sectors this means achieving the planned volume of production; in the manufacturing sectors it means performance of contracts and orders for delivery of the output manufactured. Saving labor and material resources is an indicator that depends on the production of output, for without production there can be no savings. The role of each indicator in bonus payment should correspond to the economic significance of production volume (delivery of output by contract). It would be wise to compute a larger bonus for achieving this than for fulfillment of other indicators.

The Set of Criteria for Evaluating Plan Fulfillment and Bonus Payment Indicators

Criteria for evaluating fulfillment of bonus payment indicators have begun acquiring increasing stimulating significance recently. Based on the decree of the CPSU Central Committee and USSR Council of Ministers on improving the economic mechanism, since 1981 fulfillment of the basic bonus payment indicators for enterprise management employees has been evaluated by running total from the start of the year, that is, in conformity with evaluation of plan indicators. This permits managers to disregard the consequences of overfulfillment of the plan early in the year. Under conditions of definite strain in relation to labor, material, and financial resources and overloading on the railroads, early delivery of output on contracts and deductions to the USSR State Budget ahead of schedule are an important reserve for raising production efficiency.

At the same time, our experience in the hard winter of 1979 showed that some of the enterprises were not able through the entire year to make up for failure to fulfill the January plan (resulting from objective factors). Therefore, where the plan has not been fulfilled by running total, it is permitted to pay bonuses for fulfillment of the indicators of the report for the period (month or quarter), but only in an amount up to 50 percent of the calculated sums. If the lag is overcome later it is permitted to pay another half of the withheld bonuses. In this way the worker will receive 75 percent of the bonus.

We should note the flexibility of evaluation by running total, which is used for most bonus payment indicators but not all. Performance of contracts for delivery of output is evaluated only by running total, and there is no authority for paying bonuses according to the results of the report periods. In essence,

since 1965 use of the wages fund has also been evaluated by running total. It is true that where an overexpenditure has been allowed the bonuses of the enterprise employees responsible for this are reduced by the amount of the overexpenditure, but not more than 50 percent of the bonus; however, the overexpenditure is counted during the year from the moment of occurrence, that is, outside the framework of the calendar year. Savings of specific types of material resources are determined by the results of the report periods. But beginning with 1982 the savings is reduced by the sum of overexpenditure permitted, but not by more than 50 percent. The uncompensated overexpenditure is carried to the end of the calendar year.

It is noteworthy that evaluation of the basic indicators of economic activity by running total is necessary only in daily payments to enterprise management workers. For workers in other categories its application is under the authority of the manager and trade union committee. This procedure is dictated by the specific conditions of labor stimulation of different enterprises. It is still difficult today to talk about evaluating worker fulfillment of production plans and assignments by running total from the start of the year, although a noteworthy step has already been taken in this direction: savings of material resources for workers and engineering-technical personnel are determined taking into account payment of an overexpenditure permitted earlier in the present year. The possibility of evaluating the basic results of the work of engineering-technical personnel and employees of a plant administration or the administration of production units and shops by running total is more apparent. Skillful application of this procedure is an important reserve for enhancing the stimulating role of bonuses.

One of the problems in work to apply the state plan to particular enterprises is unsubstantiated distribution of plan assignments during the year, understating them early in the year and overstating them at the end. This creates the appearance of well-being, for often it is the overstated plan of the last quarter (and therefore also the annual plan) that is not fulfilled. In addition to other steps, it would be possible to make the amount of bonuses paid for fulfillment of the plan directly dependent on average annual rate of growth in the plan. When the size of the quarterly plan is less than envisioned as the average for the year the amount of the bonus determined in the established manner is reduced accordingly; when it is larger, it is increased. Suppose that the growth rate of production for the year is set at four percent, but in the first quarter the plan indicates three percent. Then the amount of bonuses to management personnel for fulfillment of the plan, which is set at 30 percent of salary, is reduced by one-quarter, that is, to 22.5 percent of salary.

Production associations and enterprises cannot always have an economic interest in stepped-up plans. To some degree it is because the evaluation of results achieved lacks criteria of plan intensity. Some economists, underestimating the stimulating role of this latter factor, do not even see its necessity. But then how can we avoid the greatest defect in labor incentive, leveling? One cannot expect that the wages and material incentive funds for the labor collective as a whole should be established without consideration of the density of the production plan while wages are paid to individual members of this collective depending on the level of results achieved.

Furthermore, because employees of different enterprises can only compare the amount of wages and cannot compare the labor expenditures related to wages, the lack of an evaluation of plan intensity promotes greater worker mobility and leads to a consumer attitude toward wages instead of a desire to earn them. Enterprises too are drawn into the "competition" to increase worker wages regardless of growth in labor productivity.

Determining the intensity of a plan will permit a more accurate calculation of the labor contribution of an enterprise employee and thus make incentive more closely dependent on work results. Consideration of plan intensity in paying bonuses will make it possible to increase the wages of production leaders corresponding to their achievements, and to have good substantiation for lowering the wages of backward workers (or slowing down their growth). In our opinion, even with planning imperfections (establishing assignments by the "base achieved"), this would give employees greater incentive to adopt stepped-up plans.

In conformity with the decree of the CPSU Central Committee and USSR Council of Ministers on improving the economic mechanism, USSR Gosplan has ratified Methodological Instructions on the procedure for determining plan intensity. These instructions resolve the fundamental issues. The intensity of assignments for use of production capacities and various resources is determined in comparison with their normative level. The evaluation is done by one basic indicator, while the others are used as supplementary. But the introduction of these methodological instructions into economic management practice leaves much to be desired. Furthermore, they are obviously limited. They are designed only for application in formation and use of the material incentive fund, which comprises less than 10 percent of the total labor payment fund. Therefore, we are led to conclude that a procedure must be established for considering intensity when planning the wages fund.

Principles for evaluating plan intensity have been worked out only for the primary element of production, the enterprise. But under conditions of the socialist system of management we must measure plan intensity for the middle and top levels of administration also. It is not accidental that the ministries are not giving proper attention to introducing criteria of intensity in their sectors; their plan assignments are ratified by USSR Gosplan without considering the intensity factor.

We should certainly weigh the significance of supplementary assignments for production of industrial output, saving material resources, reducing expenditures for administrative personnel, and the like. We must also work out reliable methods of comparing the work results of large and small enterprises, enterprises with different specializations, and entire sectors. With all the apparent dissimilarity of these indicators, still it is necessary to compare them because they are ultimately reflected in the amount of earnings, including bonuses.

The above-mentioned methodological instructions for evaluating plan intensity do not envision consideration of the concrete conditions in which enterprises are fulfilling their established plans (decline in the quality of incoming raw materials, breakdowns in delivery time because of problems with suppliers and transportation, and the like). But without consideration of these conditions

it is hard to make a thorough analysis of the actual labor achievements of the collective. Some leading enterprises are already trying to find a solution to this problem. For example, at the Kaluga Turbine Plant the methodology for determining plan intensity envisions a coefficient that considers the specific features of shop activity: qualifications of personnel, working and production conditions, and other indicators. Because they are difficult to put in quantitative terms, the size of the coefficient is determined by a commission headed by the chief engineer. This coefficient is used to correct the plan intensity figure calculated dependent on other factors, but the correction cannot be more than 45 percent.

Labor collectives would have a significantly greater interest in stepped-up plan assignments if evaluation of plan intensity and performance conditions were made the everyday practice of economic management. Even where plans do not have adequate balance and stability, consideration of the intensity of the results achieved will make it possible to waive the level of "earned" bonuses. In addition, the evaluation of intensity would permit a comparison of the achievements of different enterprises and sectors not only over the course of their own development, but also with one another. This is very important for making labor stimulation more effective.

We see a concrete way to intensify the interest in stepped-up plans in the procedure established during the 10th Five-Year Plan of paying bonuses for fulfillment of counter plans. Because such a plan is the fruit of the initiative of the working people and exceeds the assignments of the five-year plan for the corresponding year, personnel do not lose their right to a bonus if they do not fulfill it. In this case the increased part of the bonus established when it was adopted is decreased proportional to underfulfillment of the counter plan. If it were possible to insure a consideration of intensity, then the procedure for stimulating counter plans could be applied to enterprises which have achieved results significantly above the average level of intensity and for this reason have established basic plans that are higher than those of other enterprises.

It would be desirable to begin introducing a consideration of plan intensity in practical stimulation of enterprises and sectors beginning with the 12th Five-Year Plan. In this connection it seems essential, using the experience of the comprehensive special scientific-technical programs, to work out a special scientific-economic program to introduce an evaluation of the intensity of plans and results achieved in planning and stimulation practice.

The Planned Funds of Wages and Material Incentive — The Principle Sources of Bonus Payment

The sources of bonuses for fulfillment of established plans differ. According to statistical records they are subdivided into the wages fund, the material incentive fund, and other sources (for payment of special bonuses). In 1981 the wages fund accounted for 62.9 percent of all bonuses (without the annual award), the material incentive fund was 31.3 percent, and other sources accounted for 5.8 percent. The proportion of the wages fund has risen by more than six percentage points since 1975.

The sources of bonus payment are subdivided into two types by methods of formation: sources envisioned on a plan basis and then calculated depending on the degree for plan fulfillment; sources formed entirely according to actual results. The wages fund and the material incentive fund belong to the first type; sources for payment of special bonuses belong to the second group. It is true that certain special sources have recently begun to be formed on a planned basis, for example, bonus payments for development and introduction of new technology under the cost accounting system of stimulation where the actual economic impact of introducing new technology is achieved by lowering the prime cost of production at a particular enterprise.

Formation of bonus payment sources in a planned manner gives payments from them, above all bonuses for the basic results of economic activity, stability. This feature of bonuses is often criticized. In principle, stability of incentive weakens its stimulating role. But the essential point is that the plans of ministries and enterprises consistently envision absolute growth in indicators and a rise in production efficiency and work quality. Therefore, if the plan is regularly fulfilled, which requires additional effort from personnel, their bonuses are stable and this is entirely justified.

Furthermore, the characteristics of formation of the planned wages and material incentive funds have an effect on stabilizing bonuses. The wages fund is calculated according to the indicator of production volume, and growth in production volume is not always envisioned in the plan. Furthermore, sums for bonus payment are not singled out specially in the planned wages fund because all the capital of the fund is determined based on planned expenditures for labor payment to produce output. This means that instead of bonuses workers may be paid a piece-rate supplement and additional payments for higher labor productivity.

But as experience shows, these elements of payment do not encourage maintenance of a higher level of labor norms because the lower the norms for output, time, and service are, the larger piece-rate earnings for exceeding them and supplementary payments for combining occupations, enlarged service zones, and increasing the amount of work done will be. Bonuses make it possible to overcome this problem to a significant degree and stimulate work by technically substantiated norms. Experience confirms this. Thus, in 1977-1981 overfulfillment of norms rose to 3.8 percent while the proportion of workers whose labor is controlled by technically substantiated norms increased 5.6 percent. During a comparable period before introduction of the current pay rates (1968-1972) overfulfillment of norms rose more, 7.8 percent, while improvement of labor norms proceeded more slowly, increasing just 1.2 percent.

The stability of bonus payments from the material incentive fund is influenced by the length of intervals between regular increases in the salaries of engineering-technical personnel and employees, so that bonuses increasingly are beginning to perform the function of payment for the higher level of labor results already achieved. The norms of the fund are figured not for the increment in indicators as was the case in the 10th Five-Year Plan, but rather for their growth (that is, suppose, for 105 percent instead of five percent). At the present time even where the plan is not fulfilled the envisioned fund is calculated, although in a smaller amount. Naturally, the availability of money in the fund leads to stability in payment of bonuses.

Such a detailed consideration of the mechanism of formation of the primary sources for bonus payments is given because this mechanism can be used to largely insure purposeful influence on the organization of bonus payment at enterprises. For example, as analysis of practice and report figures shows, the use of wage funds leaves much to be desired. Not all enterprises keep spending within the planned amount, and reducing bonuses where there has been overexpenditure does not compensate for the excess amounts spent. Furthermore, only one group of people is accountable for the overexpenditure of the wage fund, while the entire labor collective remains outside, so to speak. But why not mobilize personnel in all categories in the campaign for rational use of the capital allocated for labor payment?

At the present time it is permitted to use money in the material incentive fund to cover an overexpenditure of the wages fund (within the limits of fund savings in the preceding year). It is possible to go further and, already this year, reduce the material incentive fund by the amount of the overexpenditure of the wages fund not compensated for by the end of the year. This kind of reduction could be done first of all from capital allocated for the annual award, the collective form of stimulation. Thus, during the 10th Five-Year Plan the entire uncompensated overexpenditure was about 0.7 percent of the wage fund. Reducing the material incentive fund by this amount would decrease the money available to pay the annual award by about one-quarter. These are average figures, of course. For individual enterprises, especially those that regularly permit overexpenditures of the wages fund during the year, compensation would lead to a greater decrease in the amount of the annual award. But in our opinion, this would be deserved and would enable the entire collective to feel the troubled situation with expenditure of money at the enterprise as a whole. This would give them greater incentive to improve the overall results of work.

Adjustment of established plans is a serious problem in practical economic management. This applies fully to the plan for the wages fund, which reduces the effectiveness of organization of bonus payments from this source. But it should be acknowledged that the established methods by which ministries and industrial associations exercise their rights to establish reserve wages funds promote such adjustments. For example, in conformity with existing methodological instructions wage norms are established for enterprises without considering the reserve being created there. Ministries and industrial associations naturally modify norms at the expense of this reserve because their actions to exercise these rights are not restricted.

In order to give stability to established wage norms (the planned wage fund) it would be possible to record the money allocated additionally from the reserves on a separate line, as is done for normative planning of the wage fund for nonindustrial personnel and irregular employees. This would help put records of the use of these reserves in order and would also distinguish the particular enterprise from others that are working without subsidies. This could be taken into account in comparative evaluation of the work of the enterprises. A similar procedure should be established for delivering increased plan assignments for production volume, where correct planning also exerts an influence toward more rational use of the wages fund.

Methods of forming the material incentive fund should be improved, in our opinion, by making its size more dependent on savings of labor and material resources achieved. At the present time an above-plan savings is already deducted to the material incentive fund: a wage fund savings is deducted at the end of the year, and a savings received by reducing material expenditures is deducted each quarter (beginning in 1983). Then it would be possible to envision direct deductions to the fund from the amount of savings of these resources envisioned in the plan. These deductions should be given a normative character to increase their significance for stimulation.

The plan and bonuses are closely interrelated. Therefore, both improving bonus payment organization and practice and raising the level of planning promote greater impact of bonuses on the incentive of personnel to adopt and fulfill stepped-up plans and assignments.

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CSO: 1828/49

GENERAL

IMPROVED WELFARE OF SOVIET PEOPLE DISCUSSED

Moscow EKONOMICHESKIY NAUKI in Russian No 12, Dec 82 pp 64-73

[Article by N. Kuznetsova and L. Shirokova, candidate of economic sciences:
"Steady Growth in the Well-Being of the Soviet People"]

[Text] In the 60 years that the Union of Soviet Socialist Republics has existed our country has become a mighty industrial power with highly mechanized agriculture and progressive science and culture. Under the leadership of the CPSU the Soviet people have established great production and scientific-technical potential. During these years the country's national wealth has increased 30 times and is now 2.9 trillion rubles (not including the value of land, the earth's interior, and forests). Gross social product in 1981 was 164 times greater than in 1922 and 14 times greater than the prewar year of 1940; all industrial output rose 514 and 22 times in these periods and gross output from agriculture increased 5.2 and 2.4 times. The USSR's share of world industrial production has risen from one percent in 1922 to 20 percent today. Thus, in a short historical time the Soviet people have by heroic labor established a powerful material base for fuller and more comprehensive progress toward the goal of socialist society: consistent growth in well-being and harmonious development of each individual.

As noted in the decree of the CPSU Central Committee entitled "The 60th Anniversary of the Formation of the Union of Soviet Socialist Republics," in a mature socialist society the all-people's character of the social policy of the CPSU and Soviet State is more and more completely revealed. This policy aims at solving the problems that are most important to all the peoples and nationalities of our country, such as steady growth in well-being, raising the general educational level and sophistication of the working people, improving conditions for labor and rest, development of housing, and improving the system for social security, medical care, and personal services.¹ With the common ground and inflexible unity of goals and primary forms and methods, the system of concrete measures being carried out in Soviet society under the leadership of the CPSU to raise public well-being cannot help but acquire certain specific characteristics relative to distinct regions, including the national republics.

¹ See "The 60th Anniversary of the Formation of the Union of Soviet Socialist Republics. Decree of the CPSU Central Committee of 10 February 1982," Moscow, 1982, pp 11-12.

There are significant differences in natural and climatic conditions and established national traditions in the enormous area of our great multinational land. An exceptionally important task since the first years of Soviet power has been the socioeconomic challenge of overcoming earlier unequal economic development of particular regions and raising the level of development of the most backward republics, the former "frontier" territories, to the level of the more highly developed industrial centers. Making the living conditions of people in different republics more similar inevitably involves evening out the level of their economic development.

The first thing necessary to raise the well-being of the people, including the specific regional aspects that occur here, is steady enlargement of the principal source of growth in public wealth and well-being: the country's national income. It is constantly supported by the enormously increased economic potential of the USSR. In 1980 the country produced as much national income in 2.2 days as it did in all of 1922, and it took less than a month to achieve the level of national income that existed in 1940. Such rapid growth in national income is possible because it is accomplished primarily by raising labor productivity. The productivity of public labor in 1980 was 10.9 times as high as in 1940. In the near future all growth in national income and industrial output must be obtained by increasing labor productivity.

Stable and rapid increase in the national income of the USSR provides the basis for a similar increase in the volume of real personal income, which is the most generalized index of standard of living. For the country as a whole real per capita personal income in 1980 was 5.8 times the prewar level with an increase of 5.1 times in average wages and an increase of 18.3 times in per capital payments and benefits from public consumption funds; the index of state retail prices for goods rose 1.43 times. Thus, growth in real personal income was secured chiefly by increasing wages and payments and benefits from public consumption funds.

When determining ways of methods of raising the public standard of living, the party and government are consistently guided by the Marxist-Leninist thesis on the place and role of wages in the system of socialist reproduction. "The party begins from the Leninist thesis," the CPSU Program emphasizes, "that the building of communism should rely on the principle of material incentive."² In the current phase of development the problems that exist in this area are not a matter of rejecting this principle to one degree or another, but rather of amplifying its role and effectiveness. At the present time it is extremely important to strengthen the relationship between the amount of wages and the final results of the labor of the collective and of each employee, which means to reinforce it as the key factor that stimulates growth in labor productivity and improvement in the quality of output.

²"Programma Kommunisticheskoy partii Sovetskogo Soyuza" [Program of the Communist Party of the Soviet Union], Moscow, 1976, p 91.

The average wages of workers and employees in all Union republics have risen significantly as the result of centralized steps to raise the minimum wage and salary of average-paid categories of workers and employees and also as the result of rise in the skills and general educational level of working people and growth in labor productivity and the efficiency of public production. But the rate of growth in wages has not been the same, which arises from the difference in conditions, the need to solve regional problems of refining the uniform national economic complex of the USSR, and evening out the levels of economic development of the country's republics and regions. Thus, between 1965 and 1980 the average wages of workers and employees in Estonia, Belorussia, Lithuania, Armenia, Latvia, and the RSFSR rose at a faster rate than the USSR average. The factors that cause growth in the wages of workers and employees are reflected in contradictory ways on the differentiation of wages by Union republics. The convergence of the nature and content of labor and of the qualifications and educational level of workers and employees promotes a reduction in differentiation, but a closer account of the results of collective and individual labor in the payment for labor and the need to maintain stimuli to labor in places where working or living conditions are unfavorable because of natural or production factors demand an increase in differentiation.

The sectorial structure of the national economy, above all of industry, has a significant impact on formation of the levels of wages of workers and employees by Union republics and on wage differentiation. The development of natural resources, construction of new extracting industry enterprises (petroleum, gas, coal, and the like), and establishment of processing sectors on their basis (ferrous and nonferrous metallurgy, petrochemistry, and the like) are promoting faster growth in the wages of workers and employees in a number of Union republics and economic regions. The data in Table 1 below testify to the changes that have occurred over the last 15 years in wage differentiation by Union republics.

No completely clear pattern of reduction in differentiation of the wages of workers and employees by republic can be traced in this period. While the wage levels in some republics such as Belorussia, Lithuania, and Turkmenistan have come closer to the USSR average, there are also some increases in existing differences (the RSFSR, Ukraine, Georgia, and Azerbaijan). This situation can be explained by the specific features of the socioeconomic tasks that were being met during this time (for example, accelerated development of the fuel-energy base and other economic sectors in the newly developed regions of the northern and eastern RSFSR). Comprehensive development of the economies of the Union republics will promote a certain leveling out and stabilization of the established wage differentiation in the future. It must be kept in mind here that the level of wages is just one of the components of material provision for working people, although it is the most important one. It is also necessary to consider incomes received at kolkhozes, through distribution of public consumption funds, and from personal subsidiary operations, the level of prices for consumer goods, and the like. Therefore, it is a mistake to equate differentiation in the wages of workers and employees with differences in the level of material provision for the population.

Table 1. Growth in Average Wages of Workers and Employees and Wage Differentiation by Union Republics

Republics	Growth in Average Wages of Workers and Employees, 1980, as % of 1965	Level of Wages in Republic as % of USSR Average	
		1965	1980
USSR	175.0	100.0	100.0
RSFSR	179.3	102.6	105.2
Ukrainian SSR	165.2	97.3	91.8
Belorussian SSR	185.3	83.8	88.8
Uzbek SSR	170.7*	92.4	93.3
Kazakh SSR	169.9	101.6	98.6
Georgian SSR	167.1	89.9	85.8
Azerbaijan SSR	164.3	93.6	87.7
Lithuanian SSR	-	-	98.0*
Moldavian SSR	168.9	84.9	81.9
Latvian SSR	180.9	98.4	101.8
Kirghiz SSR	165.2	92.8	87.6
Tajik SSR	149.0*	99.5	87.6
Armenian SSR	174.9	96.4	96.3
Turkmen SSR	172.4	105.9	104.3
Estonian SSR	189.2	103.5	111.9

* 1979 figures.

In the wages area the problem of reducing the number of low-paid working people has been handled successfully both by consistently raising the minimum wage at a rate that significantly exceeds growth in the average wages of workers and employees and by reducing the number of persons engaged in manual and unskilled labor. Between 1961 and 1976 the minimum wage for workers and employees rose 2.1 times while average earnings increased 1.9 times. This helped even out the incomes of different groups of families. The 11th Five-Year Plan contemplates raising the minimum wage to 80 rubles a month. This point is an organic part of the policy being consistently followed by the Soviet State of accelerated growth in the income of the less well-off part of the population. Thus, in 1965 just four percent of the population of the USSR had incomes of more than 100 rubles a month per family member; in 1970 the figure was 18 percent and in 1980 it was about half of the population.

The role of public consumption funds intensifies in a developed socialist society. They increase not only in volume but also in significance with respect to comprehensive development of the individual and refining the human being as the principal productive force. During the most recent five-year plans the growth rate of public consumption funds (2.8 times from 1966 to 1980) has significantly exceeded the growth rate of the wages fund. Calculated per capita public consumption funds reached 438 rubles in 1980, 18 times the 1940 level and 2.4 times the 1965 level.

Giving the population social and cultural benefits free of charge is a key prerequisite for realizing one of the main functions of public consumption funds: giving all members of society relatively equal and favorable conditions for development and realization of their capabilities for labor and comprehensive development. By means of public consumption funds society insures access to the main social and cultural benefits, maintains free education, health care, and the like for all categories of the population, stimulates use of these services, and develops needs. The development of the sphere of social and cultural services is closely tied to the need to even out the standard of living of different groups of working people and also of the populations of different republics on the basis of a differentiated approach to providing the population with these services.

Where there are uniform nationwide conditions for granting monetary payments from public consumption funds to the population, their level and structure depends on the demographic and social structure of the population, its level of employment in public production, and the average wages of persons working in each Union republic. Despite a notable convergence in the levels of payments and benefits from public consumption funds per capita of population, a marked territorial differentiation of these payments and benefits continues (see Table 2 below).

In principle this situation has a natural, proper explanation. Public consumption funds, which are a part of national income, are not distributed among the republics in conformity with the participation of each republic in the formation of the country's national income. These funds are distributed based on need for them, and this means the distribution is affected by a number of objective factors. Differences in demographic structure are especially significant here. As a result of the influence of these factors, for example, the share of payments and benefits from public consumption funds relative to national income produced for the country as a whole in 1980 was 25.4 percent, while in Kirghizia it was 33.3 percent, in the Ukraine 26.7 percent, in Armenia 21.3 percent, in Azerbaijan 20.1 percent, and so on. The problem of organizing territorial differentiation of public consumption funds is not simply a matter of absolute equalization, but rather of achieving an equal degree of satisfaction of social and cultural needs and providing good housing to people living in the different republics of the country. As many facts illustrate, the USSR is successfully solving this problem.

The major social problem of universal mandatory secondary education of young people has practically been solved in our country. The 1959 all-Union census showed that the Soviet Union had become a fully literate country. In 1979

Table 2. Payments and Benefits from Public Consumption Funds per Capita of Population in 1965 and 1980

Republics	Rubles a Year		As % of USSR Average	
	1965	1980	1965	1980
USSR	182	438	100.0	100.0
RSFSR	202	488	111.0	111.4
Ukrainian SSR	164	412	90.1	94.1
Belorussian SSR	149	415	81.9	94.7
Uzbek SSR	126	298*	69.2	71.3
Kazakh SSR	173	407	95.1	92.9
Georgian SSR	148	368	81.3	84.0
Azerbaijan SSR	134	193	73.6	68.5
Lithuanian SSR	-	436*	-	104.3
Moldavian SSR	121	370	66.5	84.5
Latvian SSR	215	520	118.1	118.7
Kirghiz SSR	137	331	75.3	75.6
Tajik SSR	125	281*	68.7	67.2
Armenian SSR	-	341	-	77.9
Turkmen SSR	138	316	75.8	72.1
Estonian SSR	237	560	130.2	127.9

* 1979 figures

the level of illiteracy among inhabitants between the ages of 9 and 49 was 0.2 percent, and this was primarily people who were unable to attend school because of physical deficiencies and chronic illness. It should be noted that the level of education rose most rapidly among the population of the republics of Central Asia, Kazakhstan, and Moldavia and the peoples of the Far North. The levels of education of men and women, urban and rural inhabitants, and people engaged in mental and physical labor are rapidly converging. Per 1,000 persons employed in the national economy, the level of persons with higher and secondary specialized education (complete and incomplete) was 136 in 1939 and 837 in 1981 for men, while for women the corresponding figures were 104 and 829. Among the urban population the same figures were 242 and 800, while for the rural population they were 63 and 736. Among persons employed in primarily physical labor the corresponding figures were 45 and 767, while for persons engaged in mental labor they were 515 and 983.

Under socialism all necessary conditions for receiving higher and secondary specialized education have been established. All the Union Republics have universities and have opened new higher educational institutions. The number of higher educational institutions has increased 1.1 times in comparison with prewar days while the number of students has risen 6.4 times, including increases of 2.7 and 25 times respectively for Kazakhstan, 1.3 and 20.5 times from Moldavia, 1.7 and 24.7 times for Tajikistan, and so on. The increase in admission of students to higher educational institutions and the opening of new ones equalize the opportunity for young people to receive higher and secondary education in the republics.

Between 1918 and 1980 43 million specialists were trained at higher and secondary educational institutions; of these 16.5 million had higher education and 26.5 had secondary specialized education. During the 10th Five-Year Plan alone 10 million specialists were graduated by higher and secondary specialized educational institutions. At the present time the national economy has a high level of specialists with higher and secondary education; nonetheless, certain sectors and Union republics are experiencing some shortage of these employees. The challenge now is to improve the system of planning and the quality of training for specialists and to consider the actual needs of the republics more accurately in assigning them.

Soviet science has achieved unprecedented success, occupying a place as a leader in the most important fields today, specifically mathematics and mechanics, quantum electronics, solid state physics, and nuclear energy, among others. Our successes in the conquest of space are a concentrated expression of Soviet scientific achievements. Each Union Republic makes its own contribution to the development of science and technology.

The decree of the CPSU Central Committee entitled "The 60th Anniversary of the Formation of the Union of Soviet Socialist Republics" notes that "all national detachments of the Soviet working class grew during the 1970's, especially in those republics where the proportion of the working class in the structure of the population was lower than the USSR average."³ While the average annual number of workers in the country as a whole in 1981 was 3.3 times the number in 1940, in Moldavia the figure rose 19.8 times, in Armenia 9.4 times, in Lithuania 9.3 times, in Tajikistan 7.9 times, in Kazakhstan 7.0 times, and so on. This process plays a very important role in solving the socioeconomic problems of evening out the levels of development of the Union republics and bolstering the unity of the peoples and nationalities of the USSR.

The decisions of the party and government devote constant attention to training cadres of skilled workers in all regions and republics, especially workers of the indigenous nationality. To train such cadres our country had 4,800 secondary vocational-technical schools attended by 2,168,000 students at the start of the 1980-1981 school year. New vocational-technical schools have been built in all the Union republics in recent years, which makes it possible to train skilled cadres in the local areas.

³ See "The 60th Anniversary...", op. cit., p 10.

The party and the government have considered concern for the health of Soviet people to be one of the most important social challenges in all phases of socialist building. In 1980 state expenditures for public health were 17.2 billion rubles. In 1940 just 1.0 billion rubles were appropriated for this purpose. The Soviet public health system surpasses the developed capitalist countries for most indicators.

As a result of the great work done by the Soviet State to improve medical service, our country has eliminated such dangerous infectious diseases as cholera, plague, and parasitic typhus which brought great harm to the people in the past. The incidence of polio, diphtheria, and numerous other disease has been cut sharply. Many new hospitals, polyclinics, and outpatient clinics have been built during the Soviet years. The number of hospital institutions has increased from 4,900 in 1922 to 23,100 in 1980, in other words 4.7 times. The necessary cadres of skilled medical personnel have been trained. In 1922 the country had 21,000 doctors, 73,000 middle-level medical personnel, and 193,000 hospital beds. In 1980 the number of doctors in all specializations was approaching 1 million (this was more than one-third of all the doctors in the world, whereas the USSR has just six percent of the world population), while the number of middle-level medical personnel was nearly 2.8 million and there were 3.3 million hospital beds in the country. We have 125 hospital beds, 37 doctors, and 105 middle-level medical personnel per 10,000 population. The provision of hospital beds and doctors for the population is approaching the normative level. In recent years medical institutions have been supplied with more instruments and equipment, the system of pharmacies has expanded, the sale of medicines and medical articles has grown, provision of specialized motor vehicles to hospitals has improved, and so on.

Medical service has improved particularly in the Union republics which were formerly backward in an economic sense; for example, in 1940 there were just 4-5 doctors per 10,000 population in Kirghizia, Tajikistan, Moldavia, Kazakhstan, and Uzbekistan. In 1980 there were 23-32 doctors per 10,000 population there. Despite the high indicators for public health development certain differences in the level of medical service to the population by Union republics continue to exist. Thus, there is a certain lag in medical services in the Central Asian republics; the development of the public health system there still does not fully correspond to the rapid growth in population. We face the task, now and in the near future, of improving the quality and level of medical service, especially in remote regions and the rural areas.

Sanitarium therapy and organized recreation for Soviet working people is constantly expanding. The country has a vast network of sanitariums, resorts, recreation lodges, resort hotels, preventive health facilities, and the like. In 1980 57 million working people and members of their families enjoyed treatment and recreation at sanitariums, recreation institutions, and tourist facilities; 40 million of them were given extended therapy and recreation. Furthermore, almost one-third of those who received extended therapy and recreation were given passes using funds from social insurance and the state budget (free of charge or at privileged prices, paying just 30 percent of the cost). During the summer more than 25 million children and adolescents go to Pioneer and school camps, and tourist-excursion bases or travel to dacha regions with children's institutions for the summer.

The socialist state makes broad use of public consumption funds to provide for children partially at society's expense in order to lessen the influence of the number of dependents (chiefly children) on the level of material provision for families. At the present time state expenditures for social assistance and service to women and children are three times as high as in the early 1960's. Permanent preschool institutions took care of 14,339,000 children in 1980 compared to 1,953,000 in 1940.

There has been particularly significant growth in the number of children attending preschool institutions in Moldavia (53.2 times), Kazakhstan (23.7 times), Kirghizia (21.6 times), and so on. But there is still a shortage of places in preschool institutions for children in the Central Asian republics and Kazakhstan and in the northern and eastern regions of the RSFSR. Half of the children between the ages of 2 and 6 attend nursery school or day care centers. Parents pay just one-fifth of the total expenditures for the children's institutions, while four-fifths (about 450 rubles a year per child at day care centers and about 400 rubles in kindergartens) is paid from public consumption funds.

The important social problem of material support to the disabled (aged and invalids) is solved by means of public consumption funds. More and more capital is being appropriated to improve social security and social insurance. In 1980 45.6 billion rubles or 39.1 percent of the total volume of public consumption funds was spent for these purposes as compared to 14.4 billion rubles and 34.4 percent in 1965. The number of pensioners in all categories at the start of 1981 was 50.2 million, about 19 percent of the country's population. At the present time the problem of providing pensions for all people who are unable to work and have the necessary years of work experience has been practically solved.

The housing problem in the USSR is being solved on an enormous scale. In the last 15 years about 1.6 billion square meters of usable housing space has been built, which is 1.3 times all urban housing resources in the country in 1965. Practically every family moving to a new place goes to a separate apartment.

Major housing construction is going on in all the Union republics. The proportion of collectivized housing resources has risen everywhere. In 1940 this category accounted for 63.4 percent of the housing in cities and urban-type communities; in 1980 it was 77 percent. In 1940 collectivized housing resources were less than half of all housing in six Union republics; in 1980 there were just five republics (the Ukraine, Uzbekistan, Georgia, Moldavia, and Kirghizia) in which collectivized housing was less than 70 percent. The provision of total (usable) housing space to urban dwellers in the country in 1980 was 1.9 times as great as in 1940 and 1.5 times as great as 1960. Provision of housing to the urban population rose particularly fast in comparison with the USSR average in Belorussia, the RSFSR, and Georgia.

One of the most important challenges in the area of improving the well-being of the Soviet people is maximally meeting personal needs for material goods and services. At the present time the criterion of full satisfaction of personal needs is scientifically substantiated rational norms for food and the basic

nonfood goods and services. These norms were developed by various scientific organizations and institutions. As long ago as 1919 in a letter to P. I. Popov, the director of the Central Statistical Administration to whom he suggested compiling a table to show personal consumption before and after the October Revolution, V. I. Lenin pointed out the need to develop scientific norms for food products and determine the degree to which these norms were met.

According to him, norms should be the criterion for evaluating diet: "Norms should be used to determine scientifically how much bread, meat, milk, eggs, and the like a person needs."⁴

There have been profound changes in the level and structure of food consumption in the last 15 years. During this time significant growth has occurred in consumption of the most valuable food products while the consumption of potatoes and bread and pastries has steadily decreased. Thus, between 1966 and 1980 consumption of meat and meat products increased by an average of 16 kilograms per capita of population in the USSR, consumption of milk and dairy products rose 63 kilograms, eggs by 114, fruit and berries by 6 kilograms, sugar by 8 kilograms, and vegetables and melons by 21 kilograms. At the same time the consumption of bread products declined 17 kilograms and potatoes went down 30 kilograms per capita per year. Nonetheless, the food problem, as interpreted according to the contemporary level of development and needs of our mature socialist society, is still not solved, of course, and is a very pressing one.

In order to achieve a fundamental solution to the food problem, the USSR Food Program for the period until 1990 was worked out at the initiative of General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet Comrade L. I. Brezhnev. This program is a crucial component of the party's economic strategy for the current decade. It was approved at the May 1982 Plenum of the CPSU Central Committee. The Food Program is comprehensive and contains a set of indicators which are to be met as well as measures, ways, and means of achieving these indicators. The program outlines the principal tasks of Union republics clearly and comprehensively.

The food problem can only be solved on the basis of a high rate of development of agricultural production. For this reason the program envisions average annual grain production of 238-243 million tons a year in the 11th Five-Year Plan and 250-255 million tons a year in the 12th Five-Year Plan, with production of legume crops at 12-14 million tons in 1985 and 18-20 million tons in 1990. The program contemplates raising average annual meat production (slaughter weight) to 17-17.5 million tons in the 11th Five-Year Plan and 20-20.5 million tons in the 12th; corresponding target figures for milk are 97-99 and 104-106 million tons, while for eggs they are 72 million and 78-79 million [sic]. Average annual production of vegetables and melons in the 11th Five-Year Plan is to be raised to 33-34 million tons, and to 37-39 million tons in the 12th Five-Year Plan; corresponding targets for fruits and berries are 11-12 million and 14-15 million tons, while for grapes the targets are 7.5-8 million and 10-11

⁴ "Leninskiy Sbornik XXIV" [Lenin Anthology XXIV], Moscow, 1933, p 148.

million tons. Average annual gross harvest of potatoes is to be 87-89 million tons per year in the 11th Five-Year Plan and 90-92 million tons in the 12th period.

A significant increase in the production of vegetable oil, fish products, margarine, and confectionary goods is also contemplated. Reaching the production level outlined by the USSR Food Program will make it possible to insure stable supply of all types of food to the population in the shortest possible time and to significantly improve the structure of the diet of Soviet people by using the most valuable types of food. Thus, consumption of basic food products per capita of population in the country by the end of the 12th Five-Year Plan will be roughly as follows: 70 kilograms of meat and meat products, 19 kilograms of fish products, 330-340 kilograms of milk and dairy products, 260-266 eggs, 13.2 kilograms of vegetable oil, 126-135 kilograms of vegetables and melons, 66-70 kilograms of fruit and berries, 110 kilograms of potatoes, 45.5 kilograms of sugar, and 135 kilograms of bread products. As a result, per capita consumption of meat, meat products, and eggs in the country will be roughly 90 percent of the physiological norms worked out by the Institute of Nutrition of the USSR Academy of Medical Sciences while consumption of vegetables and melons, fish and fish products, sugar, bread and bread products, and vegetable oil will slightly exceed these norms. Consumption of meat and dairy products will be about 83 percent of the physiological norm while consumption of fruit and berries will be roughly 75 percent.

Our country has made major advances in meeting personal needs for nonfood goods. Average annual per capita consumption of cotton fabrics increased 25 percent between 1966 and 1980, while for silk fabrics it rose 83 percent, for knitted goods 55 percent, and for leather footwear 43 percent. In the 10th Five-Year Plan, however, the consumption of fabrics, knitted goods, and leather footwear remained stable or increased only slightly. A further increase in the production of industrial consumer goods is required to more fully meet public demand for clothing, white goods, and footwear. It is contemplated that the volume of light industry output will increase by 19 percent in 1981-1985, with special attention devoted to broadening the production of goods in great demand. For example, the production of cotton, woolen, silk, linen, and other fabrics in 1985 will reach 12.7 million meters, an increase of 18.2 percent in the five years, while production of knitted under and outer wear will increase 27 percent and production of footwear will be up 11.7 percent.

The steady increase in provision of cultural-domestic and household goods to the population, especially technically complex articles from the radio and electrical equipment industries, is one of the most distinctive features of the development of consumption in a mature socialist society. The growth in monetary income and improvement in housing and domestic conditions of the country's population lead to an increase in demand for durable cultural-domestic goods in comparison with the demand for other nonfood goods. Between 1966 and 1980 the supply of television sets per 100 families increased 3.5 times, while for radios and radio-phonograph sets the figure was 1.4 times, for refrigerators 7.8 times, for washing machines 3.3 times, and for electric vacuum cleaners 4.1 times. As a result, the ratio of actual consumption of durable cultural-domestic goods by the population to existing rational norms rose significantly.

In 1980 this ratio was 68 percent for television sets, 61 percent for radios and radio-phonograph sets, 76 percent for refrigerators, 100 percent for washing machines, and 50 percent for electric vacuum cleaners.

The growth in retail commodity turnover in state and cooperative trade, which significantly exceeds the increase in population size, also testifies to fuller satisfaction of the people's needs for food products and nonfood goods. For the country as a whole retail commodity turnover, including public catering, increased 5 times between 1940 and 1980, while for Moldavia and Kazakhstan the increase was more than 30 times and in the Central Asian republics, Lithuania, and Armenia it was more than 20 times.

The structure of personal services is expanding and improving rapidly. These services make work in the home easier and less time-consuming and increase the free time of the working people. The volume of personal services rendered to the population in 1980 was 7.7 times as great as in 1960 (in actual prices). In 1980 services worth approximately 100 rubles were rendered to each family on the average. Each year there are more and more progressive types of personal services such as taking orders in the home and by telephone, delivering orders to the home, repairing domestic equipment in the home, repairing and building housing (apartments), renting cultural-domestic and household articles, and so on. At the present time the population of the RSFSR, for example, can receive about 900 different types of services, from sewing on buttons to repairing the most complicated electronic equipment.

In order to increase the free time of working people, especially women, in the immediate future there must be a significant improvement in the volume and quality of services offered to the population by enterprises of the service sphere. Special attention should be given to this in those republics where the volume of personal services per inhabitant is significantly lower than the national level (the Central Asian republics, Azerbaijan, and Kazakhstan). Further improvement in the personal services system is one of the important elements in carrying out the social program outlined by the 26th CPSU Congress, a program of multifaceted development that will make it possible to reveal the potential and advantages of developed socialism more fully in all spheres of public life.

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